Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of SG Issuer, Société Générale, the Certificates, or the Company (as defined below).

20,000,000 European Style Cash Settled Long Certificates

relating to the ordinary shares of CapitaLand Investment Limited

with a Daily Leverage of 5x

issued by

SG Issuer

(Incorporated in Luxembourg with limited liability)

unconditionally and irrevocably guaranteed by

Société Générale

Issue Price: S$0.50 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the "**Certificates**") to be issued by SG Issuer (the "**Issuer**") unconditionally and irrevocably guaranteed by Société Générale (the "**Guarantor**"), and is supplemental to and should be read in conjunction with a base listing document dated 16 June 2023 including such further base listing documents as may be issued from time to time (the "**Base Listing Document**") for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer.

Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in Singapore, Hong Kong, the European Economic Area, the United Kingdom and the United States (see "Placing and Sale" contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer, the Guarantor and/or any of their affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer, the Guarantor and/or any of their affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate a leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

The Certificates are classified as capital markets products other than prescribed capital markets products[1] and Specified Investment Products (SIPs)[2], and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

The Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the guarantee dated 16 June 2023 (the "**Guarantee**") and entered into by the Guarantor constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 18 July 2023.

As of the date hereof, the Guarantor's long term credit rating by S&P Global Ratings is A, and by Moody's Investors Service, Inc. is A1.

The Issuer is regulated by the Luxembourg Commission de Surveillance du Secteur Financier on a consolidated basis and the Guarantor is regulated by, *inter alia*, the Autorité des Marchés Financiers, the Autorité de Contrôle Prudentiel et de Résolution and the European Central Bank.

17 July 2023

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[1] As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.
[2] As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to themselves and the Certificates. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which they accept responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer and the Guarantor accept responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Guarantor. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Guarantor or their respective subsidiaries and associates since the date hereof.

This document does not constitute an offer or invitation by or on behalf of the Issuer or the Guarantor to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer and the Guarantor require persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended and the Issuer has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed "Placing and Sale" contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the Guarantor or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer, the Guarantor and/or any of their affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor and/or any of their affiliates. Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the "**Conditions**" shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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RISK FACTORS

The following are risk factors relating to the Certificates:

(a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer and/or the Guarantor will be unable to satisfy its/their obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;

(b) the Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the Guarantee constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;

(c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has fallen sharply;

(d) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry, the currency exchange rates and the creditworthiness of the Issuer and the Guarantor;

(e) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;

(f) as indicated in the Conditions of the Certificates and herein, a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;

(g) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;

(h) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 30 to 34 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Long Certificates on Single Equities" section of this document for more information;

(i) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;

(j) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);

(k) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Strategy (as described below) including the Funding Cost (as defined below) and Rebalancing Cost (as defined below);

(l) investors should note that there are leveraged risks because the Certificates integrate a leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;

(m) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideway trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;

(n) the Air Bag Mechanism (as defined below) is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates (as defined below);

(o) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;

(p) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight fall in the Underlying Stock, where there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when market opens (including the pre-opening session) the following day or (ii) a sharp intraday fall in the price of the Underlying Stock of 20% or greater within the 15 minutes Observation Period compared to the reference price, being: (1) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (2) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. Investors may refer to pages 51 to 52 of this document for more information;

(q) In the case of extreme market conditions or where the Air Bag Mechanisms are triggered simultaneously, trading in the Certificates may be suspended for an extended period, which may be up to an additional 15 minutes, to facilitate the intra-day adjustment under the Air Bag Mechanism;

(r) certain events may, pursuant to the terms and conditions of the Certificates, trigger (i) the implementation of methods of adjustment or (ii) the early termination of the Certificates. The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (i) general market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to the Condition 13 on pages 36 to 38 of this document for more information;

(s) there is no assurance that an active trading market for the Certificates will sustain throughout the life of the Certificates, or if it does sustain, it may be due to market making on the part of the Designated Market Maker. The Issuer acting through its Designated Market Maker may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity;

(t) in the ordinary course of their business, including without limitation, in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock. In addition, in connection with the offering of any Certificates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and any of their respective subsidiaries and affiliates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;

(u) various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Guarantor and/or any of their subsidiaries and affiliates.

The Issuer, the Guarantor and any of their subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer, the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

(v) legal considerations which may restrict the possibility of certain investments:

Some investors' investment activities are subject to specific laws and regulations or laws and regulations currently being considered by various authorities. All potential investors must consult their own legal advisers to check whether and to what extent (i) they can legally purchase the Certificates (ii) the Certificates can be used as collateral security for various forms of borrowing (iii) if other restrictions apply to the purchase of Certificates or their use as collateral security. Financial institutions must consult their legal advisers or regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;

(w) the credit rating of the Guarantor is an assessment of its ability to pay obligations, including those on the Certificates. Consequently, actual or anticipated declines in the credit rating of the Guarantor may affect the market value of the Certificates;

(x) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may decline. The following is a list of some of the significant risks associated with the Underlying Stock:

– Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and

– The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;

(y) the value of the Certificates depends on the Leverage Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Strategy last closing level and a calculation tool available to the investors on a website;

(z) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;

(aa) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited ("**CDP**"):

(i) investors should note that no definitive certificate will be issued in relation to the Certificates;

(ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;

(iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and

(iv) notices to such Certificate Holders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;

(bb) the US Foreign Account Tax Compliance Act ("**FATCA**") withholding risk:

FATCA generally imposes a 30 per cent. withholding tax on certain U.S.-source payments to certain non-US persons that do provide certification of their compliance with IRS rules to disclose the identity of their US owners and account holders (if any) or establish a basis for exemption for such disclosure. The Issuer or an investor's broker or custodian may be subject to FATCA and, as a result, may be required to obtain certification from investors that they have complied with FATCA disclosure requirements or have established a basis for exemption from FATCA. If an investor does not provide the Issuer or the relevant broker or custodian with such certification, the

Issuer and the Guarantor or other withholding agent could be required to withhold U.S. tax on U.S.-source income (if any) paid pursuant to the Certificates. In certain cases, the Issuer or the relevant broker or custodian could be required to close an account of an investor who does not comply with the FATCA certification procedures.

FATCA IS PARTICULARLY COMPLEX. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO DETERMINE HOW THIS LEGISLATION MIGHT AFFECT EACH INVESTOR IN ITS PARTICULAR CIRCUMSTANCES;

(cc) U.S. withholding tax

The Issuer has determined that this Certificate is not linked to U.S. Underlying Equities within the meaning of applicable regulations under Section 871(m) of the United States Internal Revenue Code, as discussed in the accompanying Base Listing Document under "TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986." Accordingly, the Issuer expects that Section 871(m) will not apply to the Certificates. Such determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on a Certificate Holder's particular circumstances. Certificate Holders should consult with their own tax advisers regarding the potential application of Section 871(m) to the Certificates; and

(dd) risk factors relating to the BRRD

French and Luxembourg law and European legislation regarding the resolution of financial institutions may require the write-down or conversion to equity of the Certificates or other resolution measures if the Issuer or the Guarantor is deemed to meet the conditions for resolution.

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") entered into force on 2 July 2014. The BRRD, as amended, has been implemented into Luxembourg law by, among others, the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the "**BRR Act 2015**"). Under the BRR Act 2015, the competent authority is the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*, the CSSF) and the resolution authority is the CSSF acting as resolution council (*conseil de résolution*).

In April 2023, the EU Commission released a proposal to amend, in particular, the BRRD according to which senior preferred debt instruments would no longer rank pari passu with any non covered non preferred deposits of the Issuer; instead, senior preferred debt instruments would rank junior in right of payment to the claims of all depositors.

This proposal will be discussed and amended by the European Parliament and the European Council before being final and applicable. If the Commission proposal was adopted as is, there may be an increased risk of an investor in senior preferred debt instruments losing all or some of their investment in the context of the exercise of the Bail-in Power. The proposal may also lead to a rating downgrade for senior preferred debt instruments.

Moreover, Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism ("**SRM**") and a Single Resolution Framework (the "**SRM Regulation**") has established a centralised power of resolution entrusted to a Single Resolution Board (the "**SRB**") in cooperation with the national resolution authorities.

Since November 2014, the European Central Bank ("**ECB**") has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the Single Supervisory Mechanism ("**SSM**"). In addition, the SRM has been put in place to ensure that the resolution of credit institutions and certain investment firms across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the EU Member States' resolution authorities under the BRRD for those credit institutions and certain investment firms subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the beginning of 2016.

Societe Generale has been, and continues to be, designated as a significant supervised entity for the purposes of Article 49(1) of Regulation (EU) No 468/2014 of the ECB of 16 April 2014 establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the "**SSM Regulation**") and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that Societe Generale and SG Issuer (being covered by the consolidated prudential supervision of Societe Generale) are also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The stated aim of the BRRD and the SRM Regulation is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and certain investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the resolution authority designated by each EU Member State (the "**Resolution Authority**") with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions while minimising the impact of an institution's failure on the economy and financial system (including taxpayers' exposure to losses).

In accordance with the provisions of the SRM Regulation, when applicable, the SRB, has replaced the national resolution authorities designated under the BRRD with respect to all aspects relating to the decision-making process and the national resolution authorities designated under the BRRD continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the institutions' resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The SRB is the Resolution Authority for the Issuer and the Guarantor.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing institution that is subject to resolution in accordance with a set order of priority (the "**Bail-in Power**"). The conditions for resolution under the SRM Regulation are deemed to be met when: (i) the Resolution Authority determines that the institution is failing or is likely to fail, (ii) there is no reasonable prospect that any measure other than a resolution measure would prevent the failure within a reasonable timeframe, and (iii) a resolution measure is necessary for the achievement of the resolution objectives (in particular, ensuring the continuity of critical functions, avoiding a significant adverse effect on the financial system, protecting public funds by minimizing reliance on extraordinary public financial support, and protecting client funds and assets) and winding up of the institution under normal insolvency proceedings would not meet those resolution objectives to the same extent.

The Resolution Authority could also, independently of a resolution measure or in combination with a resolution measure, fully or partially write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the institution or its group will no longer be viable unless such write-down or conversion power is exercised or when the institution requires extraordinary public financial support (except when extraordinary public financial support is provided in Article 10 of the SRM Regulation). The terms and conditions of the Certificates contain provisions giving effect to the Bail-in Power in the context of resolution and write-down or conversion of capital instruments at the point of non-viability.

The Bail-in Power could result in the full (i.e., to zero) or partial write-down or conversion of the Certificates into ordinary shares or other instruments of ownership, or the variation of the terms of the Certificates (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Extraordinary public financial support should only be used as a last resort after having assessed and applied, to the maximum extent practicable, the resolution measures. No support will be available until a minimum amount of contribution to loss absorption and recapitalization of 8% of total liabilities including own funds has been made by shareholders, holders of capital instruments and other eligible liabilities through write-down, conversion or otherwise.

In addition to the Bail-in Power, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

Before taking a resolution measure, including implementing the Bail-in Power, or exercising the power to write down or convert relevant capital instruments, the Resolution Authority must ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out by a person independent from any public authority.

The BRRD, the BRR Act 2015 and the SRM Regulation however also state that, under exceptional circumstances, if the bail-in instrument is applied, the SRB, in cooperation with the CSSF, may completely or partially exclude certain liabilities from the application of the impairment or conversion powers under certain conditions.

Since 1 January 2016, EU credit institutions (such as Societe Generale) and certain investment firms have to meet, at all times, a minimum requirement for own funds and eligible liabilities ("**MREL**") pursuant to Article 12 of the SRM Regulation. The MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at preventing institutions from structuring their liabilities in a manner that impedes the effectiveness of the Bail-in Power in order to facilitate resolution.

The regime has evolved as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to the so-called "EU Banking Package", the following legislative texts were published in the Official Journal of the EU 14 May 2019:

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms ("**BRRD II**"); and

- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity ("**TLAC**") of credit institutions and investment firms (the "**SRM II Regulation**" and, together with the BRRD II, the "**EU Banking Package Reforms**").

The EU Banking Package Reforms introduced, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet ("**FSB TLAC Term Sheet**"), by adapting, among other things, the existing regime relating to the specific MREL with aim of reducing risks in the banking sector and further reinforcing institutions' ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system.

The TLAC has been implemented in accordance with the FSB TLAC Term Sheet, which impose a level of "Minimum TLAC" that will be determined individually for each global systemically important bank ("**G-SIB**"), such as Societe Generale, in an amount at least equal to (i) 16%, plus applicable buffers, of risk weight assets since January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator since January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "**CRR**"), as amended by Regulation (EU) 2019/876 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the "**CRR II**"), EU G-SIBs, such as Societe Generale, have to comply with TLAC requirements, on top of the MREL requirements, since the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale have to comply with both the TLAC and MREL requirements.

Consequently, the criteria for MREL-eligible liabilities have been closely aligned with the criteria for TLAC-eligible liabilities under CRR II, but subject to the complementary adjustments and requirements introduced in the BRRD II. In particular, certain debt instruments with an embedded derivative component, such as certain structured notes, will be eligible, subject to certain conditions, to meet MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance with only an additional return permitted to be linked to that derivative component and dependent on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL is set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance and may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining term of at least one year and, they recognise contractually the Resolution Authority's power to write down or convert the liabilities governed by non-EU law.

The scope of liabilities used to meet MREL includes, in principle, all liabilities resulting from claims arising from ordinary unsecured creditors (non-subordinated liabilities) unless they do not meet specific eligibility criteria set out in BRRD, as amended by BRRD II. To enhance the resolvability of institutions and entities through an effective use of the bail-in tool, the SRB should be able to require that MREL be met with own funds and other subordinated liabilities, in particular where there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed the losses that they would incur under normal insolvency proceedings. Moreover the SRB should assess the need to require institutions and entities to meet the MREL with own funds and other subordinated liabilities where the amount of liabilities excluded from the application of the bail- in tool reaches a certain threshold within a class of liabilities that includes MREL-eligible liabilities. Any subordination of debt instruments requested by the SRB for the MREL shall be without prejudice to the possibility to partly meet the TLAC requirements with non-subordinated debt instruments in accordance with the CRR, as amended by the CRR II, as permitted by the TLAC standard. Specific requirements apply to resolution groups with assets above EUR 100 billion (top-tier banks, including Societe Generale).

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.

The Conditions are set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	20,000,000 European Style Cash Settled Long Certificates relating to the ordinary shares of CapitaLand Investment Limited (the "**Underlying Stock**")
ISIN:	LU2375059487
Company:	CapitaLand Investment Limited (RIC: CAPN.SI)
Underlying Price[3] and Source:	S$3.41 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	5x (within the Leverage Strategy as described below)
Notional Amount per Certificate:	SGD 0.50
Management Fee (p.a.)[4]:	0.40%
Gap Premium (p.a.)[5]:	6.90%, is a hedging cost against extreme market movements overnight.
Funding Cost[6]:	The annualised costs of funding, referencing a publicly published reference rate plus spread.
Rebalancing Cost[6]:	The transaction costs (if applicable), computed as a function of leverage and daily performance of the Underlying Stock.
Launch Date:	11 July 2023
Closing Date:	17 July 2023
Expected Listing Date:	18 July 2023

[3] These figures are calculated as at, and based on information available to the Issuer on or about 17 July 2023. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 17 July 2023.
[4] Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month's notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to "Fees and Charges" below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.
[5] Please note that the Gap Premium is calculated on a 360-day basis.
[6] These costs are embedded within the Leverage Strategy.

Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 9 July 2026
Expiry Date:	16 July 2026 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	15 July 2026 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to: Closing Level multiplied by the Notional Amount per Certificate Please refer to the "Information relating to the European Style Cash Settled Long Certificates on Single Equities" section on pages 42 to 57 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of (1 – Management Fee x (ACT (t-1;t) ÷ 360)) x (1 – Gap Premium (t-1) x (ACT (t-1;t) ÷ 360)), where: "**t**" refers to "**Observation Date**" which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).

If the Issuer determines, in its sole discretion, that on any Observation Date a Market Disruption Event has occurred, then that Observation Date shall be postponed until the first succeeding Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days immediately following the original date that, but for the Market Disruption Event, would have been an Observation Date. In that case, that fifth Exchange Business Day shall be deemed to be the Observation Date notwithstanding the Market Disruption Event and the Issuer shall determine, its good faith estimate of the level of the Leverage Strategy and the value of the Certificate on that fifth Exchange Business Day in accordance with the formula for and method of calculation last in effect prior to the occurrence of the first Market Disruption Event taking into account, inter alia, the exchange traded or quoted price of the Underlying Stock and the potential increased cost of hedging by the Issuer as a result of the occurrence of the Market Disruption Event.

Please refer to the “Information relating to the European Style Cash Settled Long Certificates on Single Equities” section on pages 42 to 57 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level: In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$$

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Strategy is set out in the “Specific Definitions relating to the Leverage Strategy” section on pages 19 to 24 below.

Initial Exchange Rate: 1

Final Exchange Rate: 1

Air Bag Mechanism: The “**Air Bag Mechanism**” refers to the mechanism built in the Leverage Strategy and which is designed to reduce the Leverage Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock falls by 15% or more (“**Air Bag Trigger Price**”) during the trading day (which represents an approximately 75% loss after a 5 times leverage), the Air Bag Mechanism is triggered and the Leverage Strategy is adjusted intra-

	day. The Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses. Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. The Leverage Strategy is floored at 0 and the Certificates cannot be valued below zero. Please refer to the "Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")" section on pages 22 to 24 below and the "Description of Air Bag Mechanism" section on pages 48 to 50 of this document for further information of the Air Bag Mechanism.
Adjustments and Extraordinary Events:	The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.
Underlying Stock Currency:	Singapore Dollar ("**SGD**")
Settlement Currency:	SGD
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (the "**SGX-ST**")
Relevant Stock Exchange for the Underlying Stock:	The SGX-ST
Business Day, Settlement Business Day and Exchange Business Day:	A "**Business Day**", a "**Settlement Business Day**" or an "**Exchange Business Day**" is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.
Warrant Agent:	The Central Depository (Pte) Limited ("**CDP**")
Clearing System:	CDP
Fees and Charges:	Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to

their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Strategy including the Funding Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month's notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.

Further Information: Please refer to the website at dlc.socgen.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Strategy

Description of the Leverage Strategy

The Leverage Strategy is designed to track a 5 times daily leveraged exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Strategy to the Underlying Stock is reset within the Leverage Strategy in order to retain a daily leverage of 5 times the performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

Leverage Strategy Formula

$\mathbf{LSL_t}$ means, for any Observation Date(t), the Leverage Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the Leverage Strategy Closing Level as of such Observation Date(t) is calculated in accordance with the following formulae:

On Observation Date(1):

$$\mathrm{LSL_1} = 1000$$

On each subsequent Observation Date(t):

$$\mathrm{LSL_t} = \mathrm{Max}\left[\mathrm{LSL_{t-1}} \times \left(1 + \mathrm{LR_{t-1,t}} - \mathrm{FC_{t-1,t}} - \mathrm{RC_{t-1,t}}\right), 0\right]$$

$\mathbf{LR_{t-1,t}}$	means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows: $$\mathrm{LR_{t-1,t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right)$$
$\mathbf{FC_{t-1,t}}$	means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows : $$\mathrm{FC_{t-1,t}} = (\mathrm{Leverage} - 1) \times \frac{\mathrm{Rate_{t-1}} \times \mathrm{ACT(t-1,t)}}{\mathrm{DayCountBasisRate}}$$
$\mathbf{RC_{t-1,t}}$	means the Rebalancing Cost of the Leverage Strategy on Observation Date (t), calculated as follows : $$\mathrm{RC_{t-1,t}} = \mathrm{Leverage} \times (\mathrm{Leverage} - 1) \times \left(\left\lvert\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right\rvert\right) \times \mathrm{TC}$$
TC	means the Transaction Costs applicable (including Stamp Duty and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to: 0.04% “Stamp Duty” refers to the applicable rate of stamp duty on the stock transactions in the jurisdiction of the Relevant Stock Exchange for the Underlying Stock, which may be changed by the applicable regulatory authorities from time to time.
Leverage	5
$\mathbf{S_t}$	means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.
$\mathbf{Rate_t}$	means, in respect of each Observation Date(t), a rate calculated as of such day in accordance with the following formula: $$\mathrm{Rate_t} = \mathrm{CashRate_t} + \mathrm{\%SpreadLevel_t}$$
$\mathbf{CashRate_t}$	means, in respect of each Observation Date(t), the daily Singapore Overnight Rate Average (SORA) provided by the Monetary Authority of Singapore as administrator of the benchmark (or a successor administrator), as published on BLOOMBERG/SIBCSORA Index or any successor page, being the rate as of day (t-2) at 09:00 Singapore time, provided that if such rate is not available, then such rate shall be determined by reference to the last available rate that was published on Refinitiv Screen (SORA=MAST) or any successor page.
$\mathbf{\%SpreadLevel_t}$	1.00%, subject to change by the Issuer on giving 10 Business Days’ notice to investors via SGXNet.
$\mathbf{Rfactor_t}$	means, in the event Observation Date (t) is an ex-dividend date of the Underlying Stock, an amount determined by the Calculation Agent,

subject to the adjustments and provisions of the Conditions, according to the following formula:

$$Rfactor_t = 1 - \frac{Div_t}{\mathbf{S_{t-1}}}$$

where

Div_t is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered net of any applicable withholding taxes.

ACT(t-1,t) ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is "t-1") (included) and the Observation Date (which is "t") (excluded).

DayCountBasisRate 365

Benchmark Fallback upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Reference Rate Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.

Reference Rate Event means, in respect of the Reference Rate any of the following has occurred or will occur:

(i) a Reference Rate Cessation;

(ii) an Administrator/Benchmark Event; or

(iii) a Reference Rate is, with respect to over-the-counter derivatives transactions which reference such Reference Rate, the subject of any market-wide development formally agreed upon by the International Swaps and Derivative Association (ISDA) or the Asia Securities Industry & Financial Markets Association (ASIFMA), pursuant to which such Reference Rate is, on a specified date, replaced with a risk-free rate (or near risk-free rate) established in order to comply with the recommendations in the Financial Stability Board's paper titled "Reforming Major Interest Rate Benchmarks" dated 22 July 2014.

Reference Rate Cessation means, for a Reference Rate, the occurrence of one or more of the following events:

(i) a public statement or publication of information by or on behalf of the administrator of the Reference Rate announcing that it has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate;

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate, the central bank for the currency of the Reference Rate, an insolvency official with jurisdiction over the administrator for the Reference Rate, a resolution authority with jurisdiction over the administrator for the Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or

(iii) in respect of a Reference Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Reference Rate announcing that (a) the regulatory supervisor has determined that such Reference Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Reference Rate is intended to measure and that representativeness will not be restored and (b) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;

Administrator/Benchmark Event	means, for a Reference Rate, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Reference Rate or the administrator or sponsor of the Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that either the Issuer, the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Reference Rate to perform its or their respective obligations under the Certificates.
Reference Rate(s)	means the rate(s) used in the Leverage Strategy Formula, for example SORA, SOFR and US Federal Funds Effective Rate.

Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")

Extraordinary Strategy Adjustment for Performance Reasons

If the Calculation Agent determines that an Intraday Restrike Event has occurred during an Observation Date(t) (the **Intraday Restrike Date,** noted hereafter **IRD**), an adjustment (an **Extraordinary Strategy Adjustment for Performance Reasons**) shall take place during such Observation Date(t) in accordance with the following provisions.

(1) Provided the last Intraday Restrike Observation Period as of such Intraday Restrike Date does not end on the TimeReferenceClosing, the Leverage Strategy Closing Level on the Intraday Restrike Date ($\mathrm{LSL_{IRD}}$) should be computed as follows :

$$\mathrm{LSL_{IRD}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(n)}} \times \left(1 + \mathrm{ILR_{IR(n),IR(C)}} - \mathrm{IRC_{IR(n),IR(C)}}\right), 0\right]$$

(2) If the last Intraday Restrike Event Observation Period on the relevant Intraday Restrike Date ends on the TimeReferenceClosing:

$$\mathrm{LSL_{IRD}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(n)}}, 0\right]$$

$ILSL_{IR(k)}$ means, in respect of IR(k), the Intraday Leverage Strategy Level in accordance with the following provisions:

(1) for k = 1 :

$$ILSL_{IR(1)} = Max\left[LSL_{IRD-1} \times \left(1 + ILR_{IR(0),IR(1)} - FC_{IRD-1,IRD} - IRC_{IR(0),IR(1)}\right), 0\right]$$

(2) for k > 1 :

$$ILSL_{IR(k)} = Max\left[ILSL_{IR(k-1)} \times \left(1 + ILR_{IR(k-1),IR(k)} - IRC_{IR(k-1),IR(k)}\right), 0\right]$$

$ILR_{IR(k-1),IR(k)}$ means the Intraday Leveraged Return between IR(k-1) and IR(k), calculated as follows:

$$ILR_{IR(k-1),IR(k)} = Leverage \times \left(\frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1\right)$$

$IRC_{IR(k-1),IR(k)}$ means the Intraday Rebalancing Cost of the Leverage Strategy in respect of IR(k) on a given Intraday Restrike Date, calculated as follows:

$$IRC_{IR(k-1),IR(k)} = Leverage \times (Leverage - 1) \times \left(\left|\frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1\right|\right) \times TC$$

$IS_{IR(k)}$ means the Underlying Stock Price in respect of IR(k) computed as follows:

(1) for k=0

$$iS_{IR(0)} = S_{IRD-1} \times Rfactor_{IRD}$$

(2) for k=1 to n

means in respect of IR(k), the lowest price of the Underlying Stock during the respective Intraday Restrike Observation Period

(3) with respect to IR(C)

$$iS_{IR(C)} = S_{IRD}$$

In each case, subject to the adjustments and provisions of the Conditions.

IR(k) For k=0, means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the Observation Date immediately preceding the relevant Intraday Restrike Date;

For k=1 to n, means the k^{th} Intraday Restrike Event on the relevant Intraday Restrike Date.

IR(C) means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.

n means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.

Intraday Restrike Event means in respect of an Observation Date(t) :

(1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the decrease at any Calculation Time of the Underlying

Stock price by 15% or more compared with the relevant Underlying Stock Price $\mathbf{iS_{IR(0)}}$ as of such Calculation Time.

(2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $\mathbf{iS_{IR(k)}}$ as of such Calculation Time.

Calculation Time means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Strategy Level.

TimeReferenceOpening means the scheduled opening time (including pre-opening session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

TimeReferenceClosing means the scheduled closing time (including closing auction session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

Intraday Restrike Event Observation Period means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes after the Intraday Restrike Event Time and (2) the TimeReferenceClosing.

Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.

Intraday Restrike Event Time means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

1. Form, Status and Guarantee, Transfer and Title

(a) *Form*. The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of:-

(i) a master instrument by way of deed poll (the "**Master Instrument**") dated 16 June 2023, made by SG Issuer (the "**Issuer**") and Société Générale (the "**Guarantor**"); and

(ii) a warrant agent agreement (the "**Master Warrant Agent Agreement**" or "**Warrant Agent Agreement**") dated any time before or on the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The holders of the Certificates (the "**Certificate Holders**") are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

(b) *Status and Guarantee*. The Certificates constitute direct, general and unsecured obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.

The due and punctual payment of any amounts due by the Issuer in respect of the Certificates issued by the Issuer is unconditionally and irrevocably guaranteed by the Guarantor as provided in the Guarantee (each such amount payable under the Guarantee, a "**Guarantee Obligation**").

The Guarantee Obligations will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor ranking as senior preferred obligations as provided for in Article L. 613-30-3 I 3° of the French Code *Monétaire et Financier* (the "**Code**").

Such Guarantee Obligations rank and will rank equally and rateably without any preference or priority among themselves and:

(i) *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of the Guarantor outstanding as of the date of the entry into force of the law no. 2016-1691 (the "**Law**") on 11 December 2016;

(ii) *pari passu* with all other present or future direct, unconditional, unsecured and senior preferred obligations (as provided for in Article L. 613-30-3 I 3° of the Code) of the Guarantor issued after the date of the entry into force of the Law on 11 December 2016;

(iii) junior to all present or future claims of the Guarantor benefiting from the statutorily preferred exceptions; and

(iv) senior to all present and future senior non-preferred obligations (as provided for in Article L.613-30-3 I 4° of the Code) of the Guarantor.

In the event of the failure of the Issuer to promptly perform its obligations to any Certificate Holder under the terms of the Certificates, such Certificate Holder may, but is not obliged to, give written notice to the Guarantor at Société Générale, Tour Société Générale, 75886 Paris Cedex 18, France marked for the attention of SEGL/JUR/OMF - Market Transactions & Financing.

(c) Transfer. The Certificates are represented by a global warrant certificate ("**Global Warrant**") which will be deposited with The Central Depository (Pte) Limited ("**CDP**"). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.

(d) *Title*. Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer, the Guarantor and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression "**Certificate Holder**" shall be construed accordingly.

(e) *Bail-In*. By the acquisition of Certificates, each Certificate Holder (which, for the purposes of this Condition, includes any current or future holder of a beneficial interest in the Certificates) acknowledges, accepts, consents and agrees:

(i) to be bound by the effect of the exercise of the Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below) on the Issuer's liabilities under the Certificates, which may include and result in any of the following, or some combination thereof:

(A) the reduction of all, or a portion, of the Amounts Due (as defined below), on a permanent basis;

(B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or the Guarantor or another person (and the issue to the Certificate Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the Conditions of the Certificates, in which case the Certificate Holder agrees to accept in lieu of its rights under the Certificates any such shares, other securities or other obligations of the Issuer or the Guarantor or another person;

(C) the cancellation of the Certificates; and/or

(D) the amendment or alteration of the expiration of the Certificates or amendment of the amounts payable on the Certificates, or the date on which the amounts become payable, including by suspending payment for a temporary period; and

that terms of the Certificates are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority or the regulator,

(the "**Statutory Bail-In**");

(ii) if the Relevant Resolution Authority exercises its Bail-In Power on liabilities of the Guarantor, pursuant to Article L.613-30-3-I-3 of the French Monetary and Financial Code (the "**Code**"):

(A) ranking:

(1) junior to liabilities of the Guarantor benefitting from statutorily preferred exceptions pursuant to Article L.613-30-3-I 1° and 2 of the Code;

(2) *pari passu* with liabilities of the Guarantor as defined in Article L.613-30-3-I-3 of the Code; and

(3) senior to liabilities of the Guarantor as defined in Article L.613-30-3-I-4 of the Code; and

(B) which are not *titres non structurés* as defined under Article R.613-28 of the Code, and

(C) which are not or are no longer eligible to be taken into account for the purposes of the MREL (as defined below) ratio of the Guarantor

and such exercise of the Bail-In Power results in the write-down or cancellation of all, or a portion of, the principal amount of, or the outstanding amount payable in respect of, and/or interest on, such liabilities, and/or the conversion of all, or a portion, of the principal amount of, or the outstanding amount payable in respect of, or interest on, such liabilities into shares or other securities or other obligations of the Guarantor or another person, including by means of variation to their terms and conditions in order to give effect to such exercise of Bail-In Power, then the Issuer's obligations under the Certificates will be limited to (i) payment of the amount as reduced or cancelled that would be recoverable by the Certificate Holders and/or (ii) the delivery or the payment of value of the shares or other securities or other obligations of the Guarantor or another person that would be paid or delivered to the Certificate Holders as if, in either case, the Certificates had been directly issued by the Guarantor itself and any Amount Due under the Certificates had accordingly been directly subject to the exercise of the Bail-In Power (the "**Contractual Bail-in**").

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Bail-In with respect to the Issuer or the Guarantor unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer or the Guarantor under the applicable laws and regulations in effect in France or Luxembourg and the European Union applicable to the Issuer or the Guarantor or other members of its group.

No repayment or payment of the Amounts Due will become due and payable or be paid under the Certificates issued by SG Issuer after implementation of the Contractual Bail-in.

Upon the exercise of the Statutory Bail-in or upon implementation of the Contractual Bail-in with respect to the Certificates, the Issuer or the Guarantor will provide a written notice to the Certificate Holders in accordance with Condition 9 as soon as practicable regarding such exercise of the Statutory Bail-in or implementation of the Contractual Bail-in. Any delay or failure by the Issuer or the Guarantor to give notice shall not affect the validity and enforceability of the Statutory Bail-in or Contractual Bail-in nor the effects on the Certificates described above.

Neither a cancellation of the Certificates, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or the Guarantor or another person, as a result of the exercise of the Statutory Bail-in or the implementation of the Contractual Bail-in with respect to the Certificates will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Certificate Holder to any remedies (including equitable remedies) which are hereby expressly waived.

The matters set forth in this Condition shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer, the Guarantor and each Certificate Holder. No expenses necessary for the procedures under this Condition, including, but not limited to, those incurred by the Issuer and the Guarantor, shall be borne by any Certificate Holder.

For the purposes of this Condition:

"**Amounts Due**" means any amounts due by the Issuer under the Certificates.

"**Bail-In Power**" means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, varied or otherwise modified in any way and/or converted into shares or other securities or obligations of the obligor or any other person.

"**MREL**" means the Minimum Requirement for own funds and Eligible Liabilities as defined in Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time).

"**Relevant Resolution Authority**" means any authority with the ability to exercise the Bail-in Power on Societe Generale or SG Issuer as the case may be.

2. Certificate Rights and Exercise Expenses

(a) *Certificate Rights*. Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The "**Cash Settlement Amount**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The "**Closing Level**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case:-

(i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and

(ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event.

"**Market Disruption Event**" means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

(b) *Exercise Expenses*. Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the "**Exercise Expenses**"). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

(c) No Rights. The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

4. Exercise of Certificates

(a) *Exercise*. Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).

(b) *Automatic Exercise*. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.

(c) *Settlement*. In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Settlement Business Days (as defined in the relevant Supplemental Listing Document and subject to extension upon the occurrence of a Settlement Disruption Event (as defined below)) following the Expiry Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

If the Issuer determines, in its sole discretion, that on any Settlement Business Day during the period of five Settlement Business Days following the Expiry Date a Settlement Disruption Event has occurred, such Settlement Business Day shall be postponed to the next Settlement Business Day on which the Issuer determines that the Settlement Disruption Event is no longer subsisting and such period shall be extended accordingly, provided that the Issuer and/or the Guarantor shall make their best endeavours to implement remedies as soon as reasonably practicable to eliminate the impact of the Settlement Disruption Event on its/their payment obligations under the Certificates and/or the Guarantee.

"**Settlement Disruption Event**" means the occurrence or existence of any malicious action or attempt initiated to steal, expose, alter, disable or destroy information through unauthorised access to, or maintenance or use of, the Computer Systems of the Issuer, the Guarantor, the Calculation Agent, their respective affiliates (the "SG Group"), their IT service providers, by (and without limitation) the use of malware, ransomware, phishing, denial or disruption of service or cryptojacking or any unauthorized entry, removal, reproduction, transmission, deletion, disclosure or modification preventing the Issuer, the Guarantor and/or the Calculation Agent to perform their obligations under the Certificates, and notwithstanding the implementation of processes, required, as the case may be, by the laws and regulations applicable to the Issuer, the Guarantor, the Calculation Agent and their affiliates, or their IT service providers to improve their resilience to these actions and attempts.

"**Computer System**" means all the computer resources including, in particular: hardware, software packages, software, databases and peripherals, equipment, networks, electronic installations for storing computer data, including Data. The Computer System shall be understood to be that which (i) belongs to the SG Group and/or (ii) is rented, operated or legally held by the SG Group under a contract with the holder of the rights to the said system and/or (iii) is operated on behalf of the SG Group by a third party within the scope of a contractual relationship and/or (iv) is made available to the SG Group under a contract within the framework of a shared system (in particular cloud computing).

"**Data**" means any digital information, stored or used by the Computer System, including confidential data.

(d) *CDP not liable*. CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.

(e) *Business Day*. In these Conditions, a "**Business Day**" shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

(a) *Warrant Agent*. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.

(b) *Agent of Issuer*. The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

6. Adjustments

(a) *Potential Adjustment Event*. Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.

(b) *Definitions*. "**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a "spin-off" or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;

(iii) an extraordinary dividend;

(iv) a call by the Company in respect of the Underlying Stock that is not fully paid;

(v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a "poison pill" being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or

(vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.

(c) *Merger Event, Tender Offer, Nationalisation and Insolvency*. If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:

(i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;

(ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such

Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or

(iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the "**Option Reference Source**") make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

(d) *Definitions*. "**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. "**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. "**Merger Event**" means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. "**Nationalisation**" means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. "**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

(e) *Subdivision or Consolidation of the Certificates.* The Issuer reserves the right to subdivide or consolidate the Certificates, provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction) and subject to the approval of the SGX-ST.

(f) *Other Adjustments*. Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).

(g) *Notice of Adjustments*. All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Certificate Holders; Modification

(a) *Meetings of Certificate Holders*. The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting, two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

(b) *Modification*. The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

(a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.

(b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates, subject to the approval of the SGX-ST.

12. Delisting

(a) Delisting. If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).

(b) Issuer's Determination. The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination

(a) *Early Termination for Illegality and Force Majeure, etc.* If the Issuer determines that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control, the performance of its obligations under the Certificates has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Certificates for any reason, the Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d).

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

For the purposes of this Condition:

"**Regulatory Event**" means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or Société Générale as Guarantor or in any other capacity (including without limitation as hedging counterparty of the Issuer, market maker of the Certificates or direct or indirect shareholder or sponsor of the Issuer) or any of its affiliates involved in the issuer of the Certificates (hereafter the "**Relevant Affiliates**" and each of the Issuer, Société Générale and the Relevant Affiliates, a "**Relevant Entity**") that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer's obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer's obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer's obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and Société Générale or any Relevant Affiliate (including without limitation to hedge the Issuer's obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer's capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

"**Change in law**" means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

(b) *Early Termination for Holding Limit Event*. The Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d) where a Holding Limit Event (as defined below) occurs.

For the purposes of this Condition:

"**Holding Limit Event**" means, assuming the investor is the Issuer and/or any of its affiliates, the Issuer together with its affiliates, in aggregate hold, an interest in the Underlying Stock, constituting or likely to constitute (directly or indirectly) ownership, control or the power to vote a percentage of any class of voting securities of the

Underlying Stock, of the Underlying Stock in excess of a percentage permitted or advisable, as determined by the Issuer, for the purpose of its compliance with the Bank Holding Company Act of 1956 as amended by Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), including any requests, regulations, rules, guidelines or directives made by the relevant governmental authority under, or issued by the relevant governmental authority in connection with, such statutes.

(c) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(d) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination (i) is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such termination is approved by the SGX-ST.

(d) *Termination*. If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of a Certificate notwithstanding such illegality, impracticality or the relevant event less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9.

14. Substitution of the Issuer

The Issuer may be replaced by the Guarantor or any subsidiary of the Guarantor as principal obligor in respect of the Certificates without the consent of the relevant Certificate Holders. If the Issuer determines that it shall be replaced by the Guarantor or any subsidiary of the Guarantor (the "**Substituted Obligor**"), it shall give at least 90 days' notice (exclusive of the day on which the notice is given and of the day on which the substitution is effected) specifying the date of the substitution, in accordance with Condition 9, to the Certificate Holders of such event and, immediately on the expiry of such notice, the Substituted Obligor shall become the principal obligor in place of the Issuer and the Certificate Holders shall thereupon cease to have any rights or claims whatsoever against the Issuer.

Upon any such substitution, all references to the Issuer in the Conditions and all agreements relating to the Certificates will be to the Substituted Obligor and the Certificates will be modified as required, and the Certificate Holders will be notified of the modified terms and conditions of such Certificates in accordance with Condition 9.

For the purposes of this Condition, it is expressly agreed that by subscribing to, acquiring or otherwise purchasing or holding the Certificates, the Certificate Holders are expressly deemed to have consented to the substitution of the Issuer by the Substituted Obligor and to the release of the Issuer from any and all obligations in respect of the Certificates and all agreements relating thereto and are expressly deemed to have accepted such substitution and the consequences thereof.

15. Governing Law

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and the Guarantor and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore. The Guarantee shall be governed by and construed in accordance with Singapore law.

16. Prescription

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

17. Contracts (Rights of Third Parties) Act 2001 of Singapore

Unless otherwise provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	SG Issuer
Company:	CapitaLand Investment Limited
The Certificates:	European Style Cash Settled Long Certificates relating to the Underlying Stock
Number:	20,000,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 16 June 2023 (the "**Master Instrument**") and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the "**Master Warrant Agent Agreement**") and made between the Issuer, the Guarantor and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates

Transfers of Certificates:	Certificates may only be transferred in Board Lots (or integral multiples thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
Listing:	Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 18 July 2023.
Governing Law:	The laws of Singapore
Warrant Agent:	The Central Depository (Pte) Limited 11 North Buona Vista Drive #06-07 The Metropolis Tower 2 Singapore 138589
Further Issues:	Further issues which will form a single series with the Certificates will be permitted, subject to the approval of the SGX-ST.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED LONG CERTIFICATES ON SINGLE EQUITIES

What are European Style Cash Settled Long Certificates on Single Equities?

European style cash settled long certificates on single equities (the "**Certificates**") are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Strategy.

A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

(1) is the Final Reference Level multiplied by the Final Exchange Rate;

(2) is the Initial Reference Level multiplied by the Initial Exchange Rate;

(3) is the Strike Level; and

(4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will increase and are seeking short-term leveraged exposure to the Underlying Stock.

B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

(i) <u>For Certificate Holders who trade the Certificates intraday</u>: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and

(ii) <u>For Certificate Holders who hold the Certificates overnight</u>: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Strategy including the Funding Cost and Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees

Daily Fees	=	**Daily Management Fee Adjustment**
		1 – Management Fee x ACT (t-1;t) / 360
		x
		Daily Gap Premium Adjustment
		1 – Gap Premium (t-1) x ACT (t-1;t) / 360

Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

Value of Certificates	=	t[7]=0	x	t=1	x	t=2	x …	t=i
		Notional Amount		Leverage Strategy daily performance[8] x Daily Fees		Leverage Strategy daily performance x Daily Fees		Leverage Strategy Daily performance x Daily Fees

Value of Certificates	=	t=0	x	**Product of the daily Leverage Strategy Performance**	x	**Product of the Daily Fees (Hedging Fee Factor)**
		Notional Amount		Leverage Strategy daily performance x Leverage Strategy daily performance		Daily Fees x Daily Fees

Final Value of Certificates	=	t=0	x	Final Reference Level x Final Exchange Rate ÷ Initial Reference Level x Initial Exchange Rate	x	Hedging Fee Factor
		Notional Amount				

Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

[7] "t" refers to "**Observation Date**" which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date.
[8] Leverage Strategy daily performance is computed as the Leverage Strategy Closing Level on Business Day (t) divided by the Leverage Strategy Closing Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Ordinary shares of CapitaLand Investment Limited
Expected Listing Date:	**03/07/2018**
Expiry Date:	**18/07/2018**
Initial Reference Level:	**1,000**
Initial Exchange Rate:	**1**
Final Reference Level:	**1,200**
Final Exchange Rate:	**1**
Issue Price:	**0.50 SGD**
Notional Amount per Certificate:	**0.50 SGD**
Management Fee (p.a.):	**0.40%**
Gap Premium (p.a.):	**6.90%**
Strike Level:	Zero

Hedging Fee Factor

Hedging Fee Factor on the n^{th} Exchange Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

HFF(0) = 100%

On Next Calendar Day (assuming it is an Exchange Business Day):

$$\mathrm{HFF}\ (1)\ =\ \mathrm{HFF}\ (0)\ \times\left(1-\ \mathrm{Management\ Fee}\ \times\frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)\times\left(1-\ \mathrm{Gap\ Premium}\ \times\frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)$$

$$\mathrm{HFF}\ (1)=\ 100\%\ \times\left(1-\ 0.40\%\ \times\frac{1}{360}\right)\times\left(1-\ 6.90\%\ \times\frac{1}{360}\right)$$

$$\mathrm{HFF}\ (1)\ =\ 100\%\ \times\ 99.9989\%\ \times\ 99.9808\%\ \approx\ 99.9797\%$$

Assuming 2^{nd} Exchange Business Day falls 3 Calendar Days after 1^{st} Exchange Business Day:

$$\mathrm{HFF}\ (2)=\mathrm{HFF}\ (1)\times\left(1-\ \mathrm{Management\ Fee}\ \times\frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)\times\left(1-\ \mathrm{Gap\ Premium}\ \times\frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)$$

$$\text{HFF}(2) = 99.9797\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 6.90\% \times \frac{3}{360}\right)$$

$$\text{HFF}(2) = 99.9797\% \times 99.9967\% \times 99.9425\% \approx 99.9189\%$$

The same principle applies to the following Exchange Business Days:

$$\text{HFF}(n) = \text{HFF}(n-1) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1;t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1;t)}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.6962% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9797%
5/7/2018	99.9594%
6/7/2018	99.9392%
9/7/2018	99.8784%
10/7/2018	99.8581%
11/7/2018	99.8379%
12/7/2018	99.8176%
13/7/2018	99.7974%
16/7/2018	99.7367%
17/7/2018	99.7165%
18/7/2018	99.6962%

Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

Closing Level = [(Final Reference Level x Final Exchange Rate) / (Initial Reference Level x Initial Exchange Rate) – Strike Level] x Hedging Fee Factor

= [(1200 x 1) / (1000 x 1) – 0] x 99.6962%

= 119.64%

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

= 119.64% x 0.50 SGD

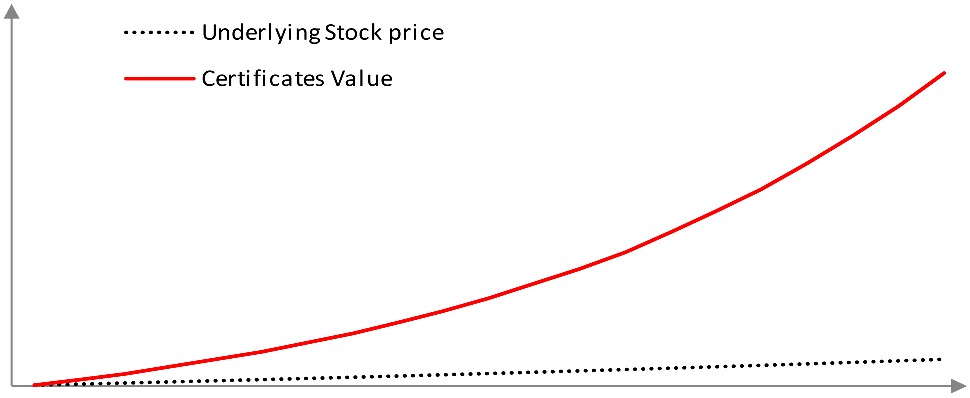
= 0.598 SGD

Illustration on how returns and losses can occur under different scenarios

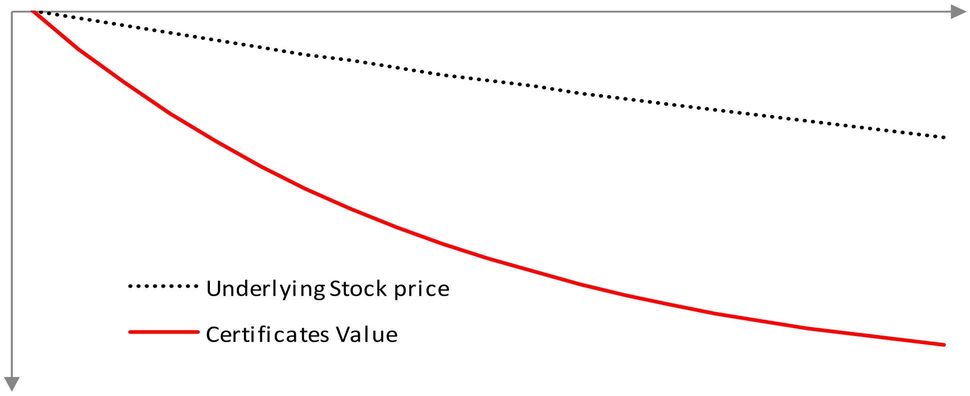
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.

1. Illustrative examples

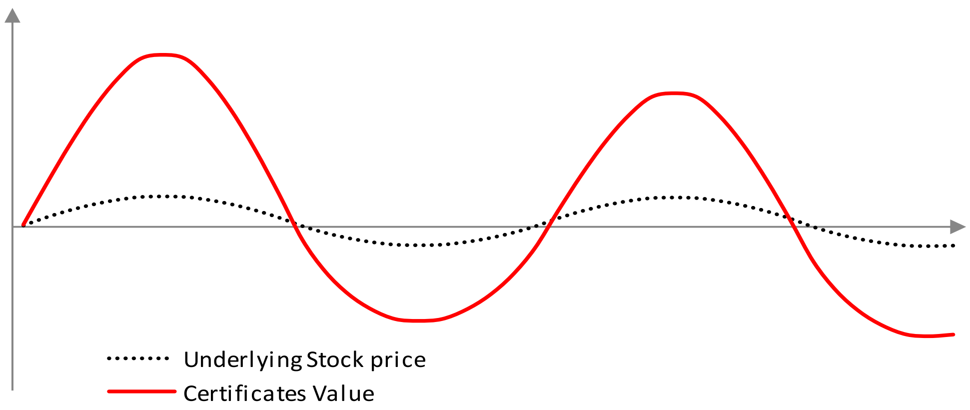
Scenario 1 – Upward Trend



Scenario 2 – Downward Trend



Scenario 3 – Volatile Market



2. Numerical Examples

Scenario 1 – Upward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	2.0%	2.0%	2.0%	2.0%
Value at end of day	10,000.0	10,200.0	10,404.0	10,612.1	10,824.3	11,040.8
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	10.0%	10.0%	10.0%	10.0%
Price at end of day	0.50	0.55	0.61	0.67	0.73	0.81
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 2 – Downward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Value at end of day	10,000.0	9,800.0	9,604.0	9,411.9	9,223.7	9,039.2
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Price at end of day	0.50	0.45	0.41	0.36	0.33	0.30
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 3 – Volatile Market

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	-2.0%	2.0%	-2.0%	2.0%
Value at end of day	10,000.0	10,200.0	9,996.0	10,195.9	9,992.0	10,191.8
Accumulated Return		2.00%	-0.04%	1.96%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	-10.0%	10.0%	-10.0%	10.0%
Price at end of day	0.50	0.55	0.50	0.54	0.49	0.54
Accumulated Return		10.00%	-1.00%	8.90%	-1.99%	7.81%

Description of Air Bag Mechanism

The Certificates integrate an “Air Bag Mechanism” which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

When the Air Bag triggers, a 30-minute period starts. This period is divided into two sub-periods:

- Observation Period : during 15 minutes after the Air Bag trigger, the price of the Underlying Stock is observed and its minimum price is recorded; and
- Reset Period: after 15 minutes, the Leverage Strategy is reset using the minimum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Strategy, 30 minutes after the Air Bag trigger.

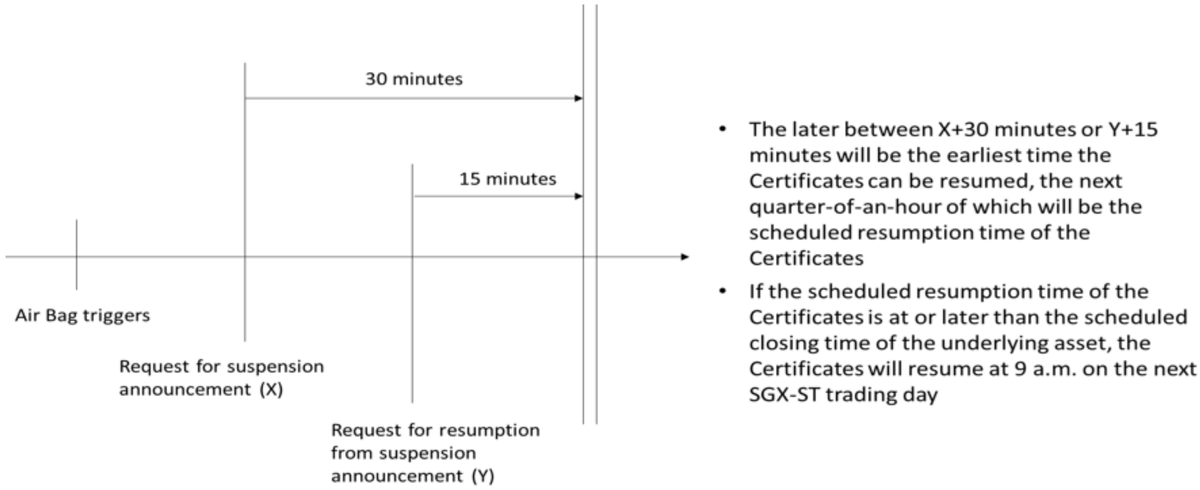
Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered and does not take into account the mid-day break. Investors cannot sell or purchase any Certificates during this period.

Air Bag Mechanism timeline

<table>
<tr><th>Air Bag Trigger</th><th>Observation Period</th><th>Resumption of Trading</th></tr>
<tr><td>More than 45 minutes before Market Close</td><td rowspan="2">First 15 minutes after Air Bag Trigger</td><td>Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger</td></tr>
<tr><td>Less than 45 minutes before Market Close and more than 15 minutes before Market Close</td><td rowspan="2">Next trading day at Market Open</td></tr>
<tr><td>15 minutes or less than 15 minutes before Market Close</td><td>From Air Bag Trigger to Market Close</td></tr>
</table>

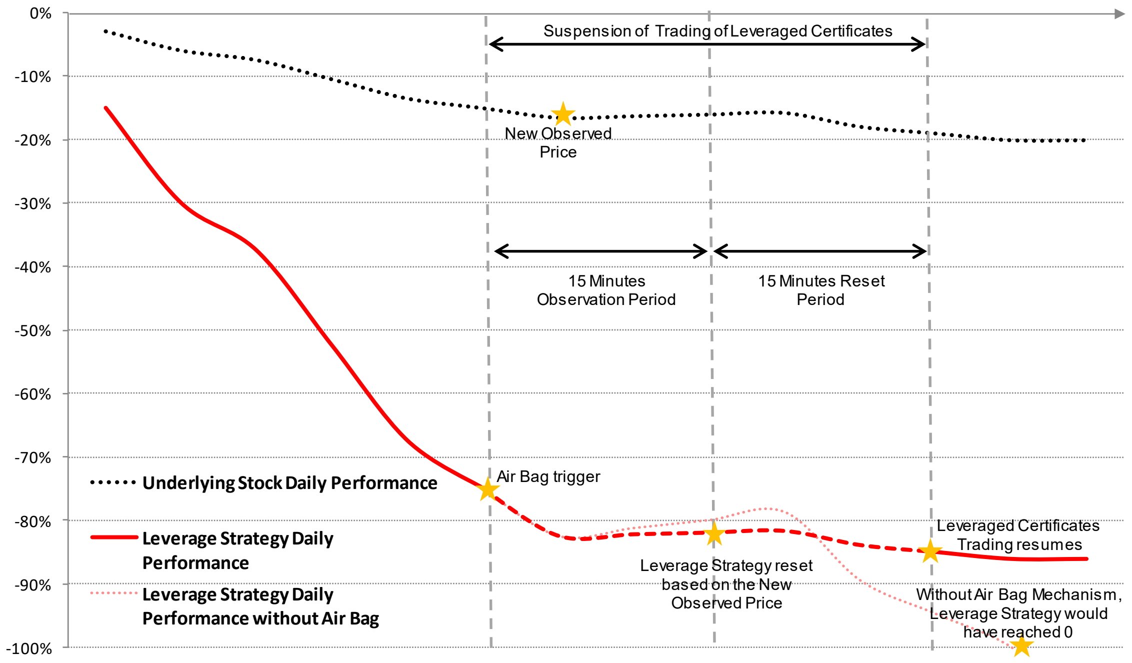
With **Market Close** defined as:

- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading

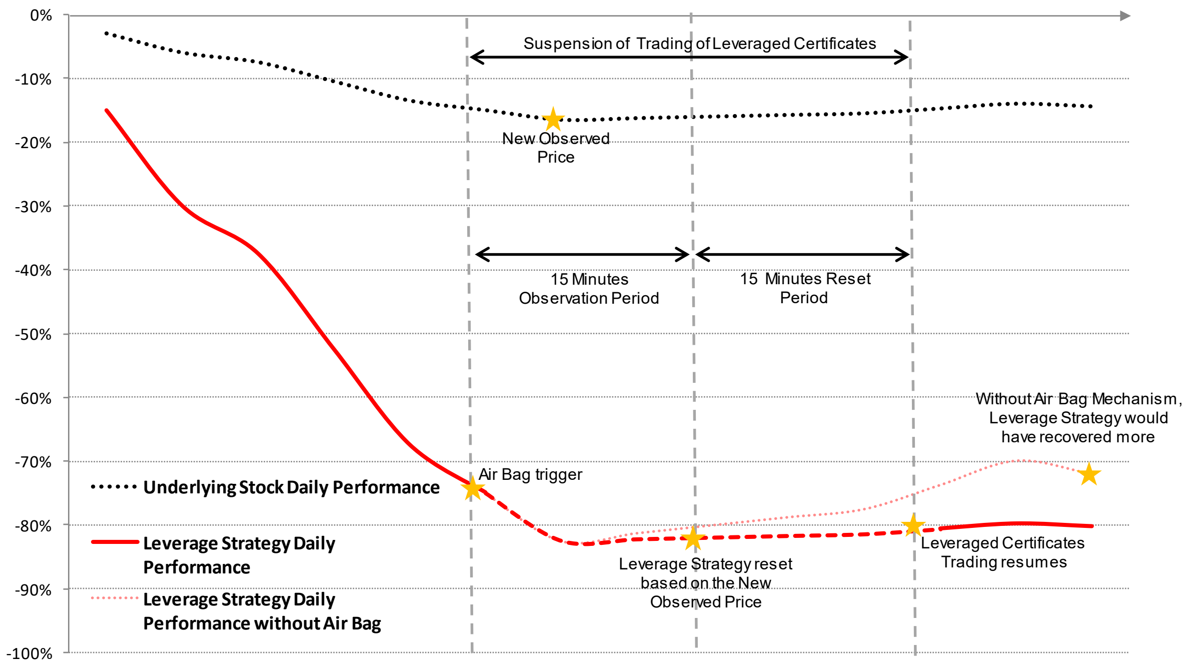


Illustrative examples of the Air Bag Mechanism[9]

Scenario 1 – Downward Trend after Air Bag trigger



Scenario 2 – Upward Trend after Air Bag trigger



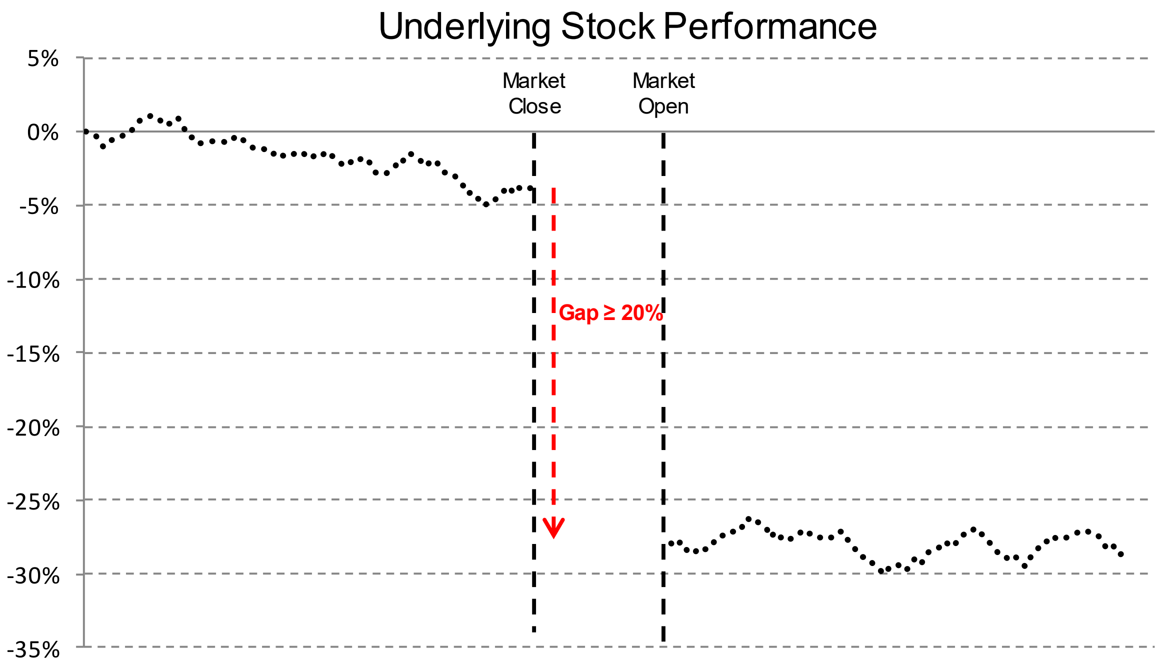
[9] The illustrative examples are not exhaustive.

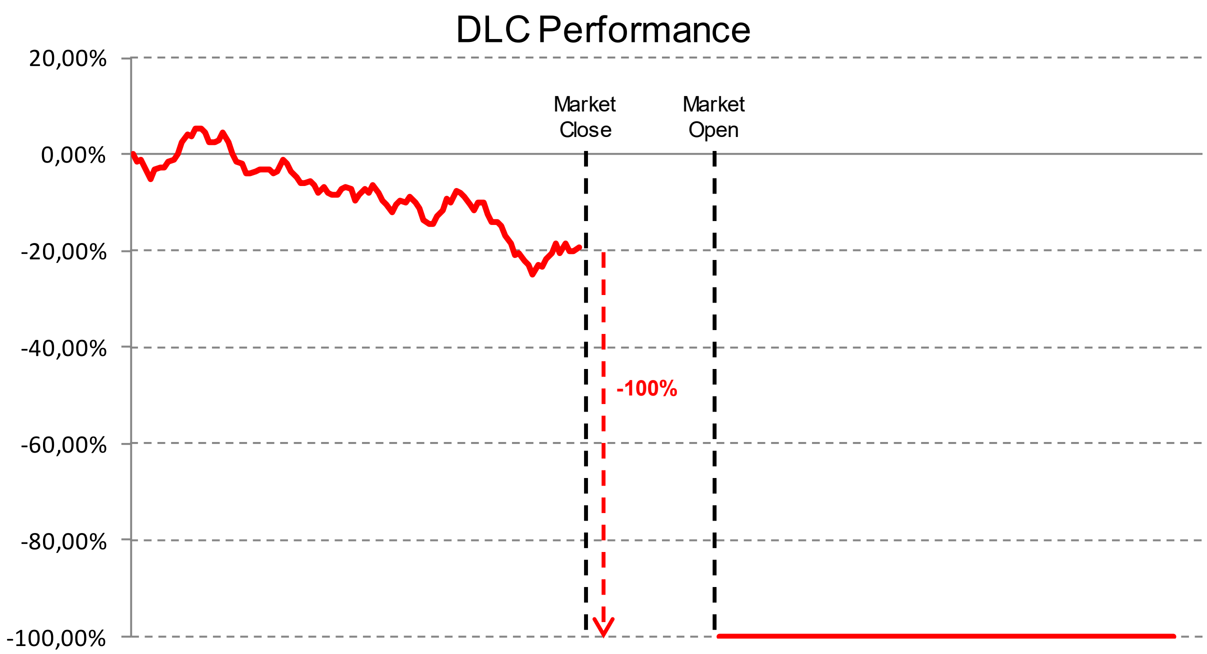
Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

<u>*Scenario 1 – Overnight fall of the Underlying Stock*</u>

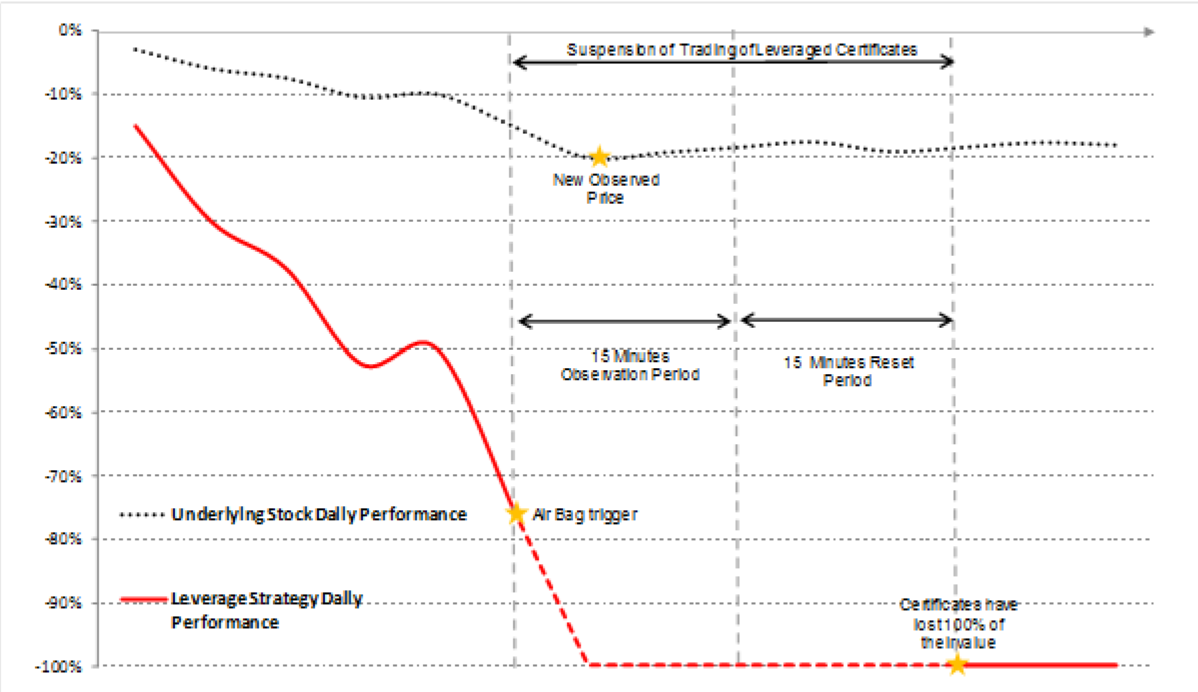
On any business day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a "gap". If the opening price of the Underlying Stock is 20% or more below the previous day closing price, the Air Bag Mechanism would only be triggered when the market opens (including the pre-opening session) the following day, and the Certificates would lose their entire value in such event.





Scenario 2 – Sharp intraday fall of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock falls by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event.



Examples and illustrations of adjustments due to certain corporate actions

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event Observation Date (t) is an ex-date with respect to a corporate action related to the Underlying Stock, the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Observation Date (t) by an amount computed according to the following generic formula :

$$Rfactor_t = \left[1 - \frac{Div_t + DivExc_t - M \times R}{\mathrm{S}_{t-1}}\right] \times \frac{1}{1+M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of $Rfactor_t$ would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag mechanism would not be triggered if the stock price falls by 15% exclusively because of the dilutive effect of a corporate action.

Where:

$\mathrm{DivExc_t}$ is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

M is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

R is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

1. <u>Stock split</u>

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$\mathrm{S_{t-1}}$ = \$100

$\mathrm{S_t}$ = \$51

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

M = 1 (i.e. 1 new Shares for 1 existing Share)

R = $0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 2 \times 0)}{100}\right] \times \frac{1}{1+1} = 50\%$$

As a consequence:

$\mathrm{LR}_{t-1,t} = \text{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = 5 \times \left(\frac{51}{100 \times 50\%} - 1\right) = 10\%$

$\mathrm{S_{t-1}}$	$\mathrm{S_{t-1}} \times Rfactor_t$	$\mathrm{S_t}$	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.50	0.55	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to $42.5, which is 15% below $50, the Underlying Stock Reference Price.

2. <u>Share Consolidation</u>

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$\mathrm{S_{t-1}}$ = $100

$\mathrm{S_t}$ = $202

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

M = -0.5 (i.e. 0.5 Shares canceled for each 1 existing Share)

R = $0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - (-0.5) \times 0)}{100}\right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$\mathrm{LR}_{t-1,t} = \text{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = 5 \times \left(\frac{202}{100 \times 200\%} - 1\right) = 5\%$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.50	0.525	5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to $170, which is 15% below $200, the Underlying Stock Reference Price.

3. <u>Rights Issues</u>

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of $40.

S_{t-1} = $100

S_t = $84

$\mathrm{Div}_t = \$0$

$\mathrm{DivExc}_t = \$0$

R = $40 (i.e. subscription price of $40)

M = 0.5 (i.e. 1 new share for every 2 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.5 \times 40}{100}\right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$\mathrm{LR}_{t-1,t} = \mathrm{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = 5 \times \left(\frac{84}{100 \times 80\%} - 1\right) = 25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.50	0.625	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to $68, which is 15% below $80, the Underlying Stock Reference Price.

4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

S_{t-1} = \$100

S_t = \$85

$Div_t = \$0$

$DivExc_t = \$0$

R = \$0

M = 0.2 (i.e. 1 new share for 5 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.2 \times 0}{100}\right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = 5 \times \left(\frac{85}{100 \times 83.33\%} - 1\right) = 10\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.50	0.55	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$70.83, which is 15% below \$83.33, the Underlying Stock Reference Price.

5. Extraordinary Dividend

Assuming there is an extraordinary dividend of \$20 (net of taxes) paid in respect of each stock.

S_{t-1} = \$100

S_t = \$84

$Div_t = \$0$

$DivExc_t = \$20$

R = \$0

M = 0

$$Rfactor_t = \left[1 - \frac{0 + 20 - 0 \times 0}{100}\right] \times \frac{1}{1 + 0} = 80\%$$

As a consequence:

$$\mathrm{LR}_{\mathrm{t-1,t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = 5 \times \left(\frac{84}{100 \times 80\%} - 1\right) = 25\%$$

$\mathrm{S_{t-1}}$	$\mathrm{S_{t-1}} \times Rfactor_t$	$\mathrm{S_t}$	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.50	0.625	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to $68, which is 15% below $80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of the SGX-ST at http://www.sgx.com. The Issuer has not independently verified any of such information.

CapitaLand Investment Limited (the "**Company**"; together with its subsidiaries, the "Group") is a leading listed global real estate investment manager with a strong Asia foothold. Its real estate funds under management ("**FUM**") is held via its managed listed funds and unlisted funds across the Asia-Pacific, Europe and United States of America. The Group's FUM is well-diversified across asset classes, namely, integrated developments, retail, office, lodging and new economy sectors such as business parks, industrial, logistics and data centres. The Group's business model comprises two key segments, namely, fee income-related business and real estate investments.

The information set out in the Appendix to this document relates to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2022 and has been extracted and reproduced from an announcement by the Company released on 3 April 2023 in relation to the same. Further information relating to the Company may be located on the web-site of the SGX-ST at http://www.sgx.com.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Société Générale has been appointed the designated market maker ("**DMM**") for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

(a)	Maximum bid and offer spread	:	(i) when the best bid price of the Certificate is S$10 and below: 10 ticks or S$0.20 whichever is greater; and (ii) when the best bid price of the Certificate is above S$10: 5% of the best bid price of the Certificate.
(b)	Minimum quantity subject to bid and offer spread	:	10,000 Certificates
(c)	Last Trading Day for Market Making	:	The date falling 5 Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

(i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;

(ii) if the Certificates are valueless (where the Issuer's bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);

(iii) where the Certificates are suspended from trading for any reason;

(iv) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;

(v) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;

(vi) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;

(vii) in cases where the Issuer has no Certificates to sell, then the DMM will only provide the bid price;

(viii) if the stock market experiences exceptional price movement and volatility;

(ix) when it is a public holiday in Singapore and/or the SGX-ST is not open for dealings; and

(x) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Business Day immediately preceding the Expiry Date.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 108 of the Base Listing Document.

1. Save as disclosed in this document and the Base Listing Document, neither the Issuer nor the Guarantor is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have or have had in the previous 12 months a significant effect on the financial position of the Issuer or the Guarantor in the context of the issuance of the Certificates.

2. Settlement of trades done on a normal "ready basis" on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed "Summary of the Issue" above.

3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.

4. Save as disclosed in the Base Listing Document and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2022 or the Guarantor since 31 March 2023, in the context of the issuance of Certificates hereunder.

5. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and/or the Guarantor and may be material to the issue of the Certificates:

   (a) the Guarantee;

   (b) the Master Instrument; and

   (c) the Master Warrant Agent Agreement.

   None of the directors of the Issuer and the Guarantor has any direct or indirect interest in any of the above contracts.

6. The reports of the Auditors of the Issuer and the Guarantor were not prepared exclusively for incorporation into this document.

   The Auditors of the Issuer and the Guarantor have no shareholding in the Issuer or the Guarantor or any of its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer or the Guarantor or any of its subsidiaries.

7. The Certificates are not fully covered by the Underlying Stock held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.

8. Société Générale, Singapore Branch, currently of 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, has been authorised to accept, on behalf of the Issuer and the Guarantor, service of process and any other notices required to be served on the Issuer or the Guarantor. Any notices required to be served on the Issuer or the Guarantor should be sent to Société Générale at the above address for the attention of Société Générale Legal Department.

9. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Société Générale,

Singapore Branch at 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, during the period of 14 days from the date of this document:

(a) the Memorandum and Articles of Association of the Issuer and the Constitutional Documents of the Guarantor;

(b) the latest financial reports (including the notes thereto) of the Issuer;

(c) the latest financial reports (including the notes thereto) of the Guarantor;

(d) the Base Listing Document;

(e) this document; and

(f) the Guarantee.

PLACING AND SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

Each Certificate Holder undertakes that it will inform any subsequent purchaser of the terms and conditions of the Certificates and all such subsequent purchasers as may purchase such securities from time to time shall deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act 2001 of Singapore.

Hong Kong

Each dealer has represented and agreed, and each further dealer appointed in respect of the Certificates and each other purchaser will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates (except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong ("**SFO**")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus", as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong ("**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

European Economic Area

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell, or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded, the Prospectus Regulation); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

United Kingdom

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

Each dealer further represents and agrees, and each further dealer appointed in respect of the Certificates will be required to further represent and agree, that:

(a) in respect to Certificates having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

United States

The Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended (the "**Commodity Exchange Act**") and the Issuer has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

Each dealer has represented and agreed, and each further dealer will be required to represent and agree, that it has not and will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redeem, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing Certificates of any tranches must agree with the relevant dealer or the seller of such Certificates that (i) it is not a U.S. Person, (ii) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, and (iii) it is not purchasing any Certificates, directly or indirectly, in the United States or for the account or benefit of any U.S. person.

Exercise or otherwise redemption of Certificates will be conditional upon certification that each person exercising or otherwise redeeming a Certificate is not a U.S. person or in the United States and that the Certificate is not being exercised or otherwise redeemed on behalf of a U.S. person. No payment will be made to accounts of holders of the Certificates located in the United States.

As used in the preceding paragraphs, the term "**United States**" includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term "**U.S. person**" means any person who is (i) a U.S. person as defined under Regulation S under the

Securities Act, (ii) a U.S. person as defined in paragraph 7701(a)(30) of the Internal Revenue Code of 1986, or (iii) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the "**CEA**") or any rules thereunder of the CFTC (the "**CFTC Rules**"), guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons", shall be considered a U.S. person).

APPENDIX

REPRODUCTION OF THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 OF CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

The information set out below is a reproduction of the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2022 and has been extracted and reproduced from an announcement by the Company released on 3 April 2023 in relation to the same.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CapitaLand Investment Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2022, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 158 to 266.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967, (the Act), Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS) so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Notes 5 and 31 to the financial statements)

Risk:

The Group owns a portfolio of investment properties comprising shopping malls, offices, serviced residences, integrated development projects and business parks, industrial and logistics properties, located primarily in Singapore, China and Europe. Investment properties represent the single largest category of assets on the consolidated balance sheet at $14.7 billion as at 31 December 2022.

These investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement in determining the appropriate valuation methodologies to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied and a small change in the assumptions can have a significant impact to the valuation.

Independent Auditors' Report
To the Members of CapitaLand Investment Limited

Our response:

We assessed the Group's processes for the selection of the external valuers, the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers.

We evaluated the qualifications and competence of the external valuers. We also read the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We also considered other alternative valuation methods. We tested the integrity of inputs of the projected cash flows used in the valuations to supporting leases and other documents. We challenged the key assumptions used in the valuations, which included capitalisation, discount and terminal yield rates by comparing them against available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report
To the Members of CapitaLand Investment Limited

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lim Pang Yew, Victor.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
15 March 2023

Balance Sheets

As at 31 December 2022

	Note	The Group 31 Dec 2022 $'M	The Group 31 Dec 2021 $'M	The Company 31 Dec 2022 $'M	The Company 31 Dec 2021 $'M
Non-current assets					
Property, plant and equipment	3	1,225	1,067	13	21
Intangible assets	4	1,142	990	*	*
Investment properties	5	14,706	16,249	–	–
Subsidiaries	6	–	–	11,168	11,159
Associates	7	10,417	10,466	–	–
Joint ventures	8	2,735	2,782	–	–
Deferred tax assets	9	63	58	–	–
Other non-current assets	10	401	212	–	3
		30,689	31,824	11,181	11,183
Current assets					
Development properties for sale	11	243	268	–	–
Trade and other receivables	12	1,025	1,661	700	243
Other current assets	10	70	14	–	–
Assets held for sale	13	415	2	–	–
Cash and cash equivalents	14	2,668	3,877	22	362
		4,421	5,822	722	605
Less: current liabilities					
Trade and other payables	15	2,093	2,128	221	269
Short term borrowings	16	1,208	1,941	12	11
Current portion of debt securities	17	160	608	–	–
Current tax payable		583	939	2	1
Liabilities held for sale	13	118	–	–	–
		4,162	5,616	235	281
Net current assets		259	206	487	324
Less: non-current liabilities					
Long term borrowings	16	9,880	10,428	1	12
Debt securities	17	1,342	571	–	–
Deferred tax liabilities	9	543	538	–	–
Other non-current liabilities	18	254	392	812	819
		12,019	11,929	813	831
Net assets		18,929	20,101	10,855	10,676
Representing:					
Share capital	20	10,760	10,760	10,760	10,760
Revenue reserve		10,267	10,165	385	105
Other reserves	21	(5,894)	(4,881)	(290)	(189)
Equity attributable to owners of the Company		15,133	16,044	10,855	10,676
Perpetual securities	22	396	396	–	–
Non-controlling interests	6	3,400	3,661	–	–
Total equity		18,929	20,101	10,855	10,676

* Less than $1 million

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

Consolidated Income Statement

Year ended 31 December 2022

	Note	The Group 2022 $'M	The Group 2021 $'M
Revenue	24	2,876	2,293
Cost of sales		(1,586)	(1,235)
Gross profit		1,290	1,058
Other operating income	25(a)	665	888
Administrative expenses		(490)	(763)
Other operating expenses		(176)	(92)
Profit from operations		1,289	1,091
Finance costs	25(d)	(432)	(353)
Share of results (net of tax) of:			
– associates		425	1,008
– joint ventures		106	210
		531	1,218
Profit before tax	25	1,388	1,956
Tax expense	26	(318)	(396)
Profit for the year		1,070	1,560
Attributable to:			
Owners of the Company		861	1,349
Non-controlling interests		209	211
Profit for the year		1,070	1,560
Basic earnings per share (cents)	27	16.8	38.3
Diluted earnings per share (cents)	27	16.5	37.6

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

Consolidated Statement of Comprehensive Income

Year ended 31 December 2022

	Note	The Group 2022 $'M	The Group 2021 $'M
Profit for the year		1,070	1,560
Other comprehensive income:			
Items that are/may be reclassified subsequently to profit or loss			
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		(721)	71
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss		(6)	(19)
Effective portion of change in fair value of cash flow hedges		166	56
Recognition of hedging reserve in profit or loss		(33)	2
Share of other comprehensive income of associates and joint ventures		(547)	244
		(1,141)	354
Item that will not be reclassified subsequently to profit or loss			
Change in fair value of equity investments at fair value through other comprehensive income		(6)	(15)
Total other comprehensive income	23	(1,147)	339
Total comprehensive income		(77)	1,899
Attributable to:			
Owners of the Company		(64)	1,672
Non-controlling interests		(13)	227
Total comprehensive income		(77)	1,899

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2022

	Share capital $'M	Revenue reserve $'M	Reserve for own shares $'M	Capital reserve# $'M	Hedging reserve $'M	Fair value reserve $'M	Asset revaluation reserve $'M	Foreign currency translation reserve $'M	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)

Includes equity compensation reserve and other capital reserves.

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2022

	Share capital $'M	Revenue reserve $'M	Reserve for own shares $'M	Capital reserve# $'M	Hedging reserve $'M	Fair value reserve $'M	Asset revaluation reserve $'M	Foreign currency translation reserve $'M	Total $'M	Perpetual securities $'M	Non-controlling interests $'M	Total equity $'M
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Issue of new shares	–	–	26	(18)	–	–	–	–	8	–	–	8
Purchase of treasury shares	–	–	(133)	–	–	–	–	–	(133)	–	–	(133)
Contributions from non-controlling interests (net)	–	–	–	–	–	–	–	–	–	–	189	189
Dividends paid/payable	–	(772)	–	–	–	–	–	–	(772)	–	(173)	(945)
Distribution attributable to perpetual securities	–	(5)	–	–	–	–	–	–	(5)	13	(8)	–
Distribution paid to perpetual securities	–	–	–	–	–	–	–	–	–	(13)	–	(13)
Reclassification of other capital reserve	–	(3)	–	3	–	–	–	–	–	–	–	–
Share-based payments	–	–	–	42	–	–	–	–	42	–	–	42
Total contributions by and distributions to owners	–	(780)	(107)	27	–	–	–	–	(860)	–	8	(852)
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.

Consolidated Statement of Changes in Equity

Year ended 31 December 2022

	Share capital $'M	Revenue reserve $'M	Reserve for own shares $'M	Capital reserve# $'M	Hedging reserve $'M	Fair value reserve $'M	Asset revaluation reserve $'M	Foreign currency translation reserve $'M	Total $'M	Perpetual securities $'M	Non-controlling interests $'M	Total equity $'M
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

\# Includes equity compensation reserve and other capital reserves.

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2022

	Share capital $'M	Revenue reserve $'M	Reserve for own shares $'M	Capital reserve# $'M	Hedging reserve $'M	Fair value reserve $'M	Asset revaluation reserve $'M	Foreign Currency translation reserve $'M	Total $'M	Perpetual securities $'M	Non-controlling interests $'M	Total equity $'M
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
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.

Consolidated Statement of Cash Flows

Year ended 31 December 2022

	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	25	–	15
Amortisation of intangible assets	4	15	27
Depreciation of property, plant and equipment and right-of-use assets		131	133
Distribution income	25	(35)	(5)
Finance costs	25	432	353
Gain on disposal of equity investment fair value through profit or loss	25	–	(24)
Gain on disposal of investment properties	25	(14)	(205)
Income from income support guarantee		–	(15)
Interest income	25	(53)	(29)
Loss on disposal and write-off of property, plant and equipment	25	2	3
(Gain)/Loss on right-of-use assets lease remeasurement/ modification		(4)	2
Mark-to-market gain on derivative instruments		(34)	–
Net fair value gain from investment properties	25	(250)	(255)
Net change in fair value of financial assets designated at fair value through profit or loss	25	21	18
Net gain from change of ownership interests in subsidiaries, associates and joint ventures	25	(210)	(131)
Share of results of associates and joint ventures		(531)	(1,218)
Share-based expenses		68	58
Tax expense		318	396
		(119)	(941)
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)
		(21)	255
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.

Consolidated Statement of Cash Flows

Year ended 31 December 2022

	Note	2022 $'M	2021 $'M
Cash flows from investing activities			
Acquisition of/Development expenditure on investment properties		(999)	(1,241)
Acquisition of subsidiaries, net of cash acquired	29(b)	(242)	(1,390)
Deposits placed for acquisition of investment properties		(10)	(1)
Deposits returned for disposal of a subsidiary		–	(9)
Disposal of subsidiaries, net of cash disposed of	29(d)	723	573
Dividends received from associates and joint ventures		348	1,980
Interest income received		46	31
Investments in associates, joint ventures and other investments		(86)	(261)
(Investments 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 for issue expenses for private placement and issuance of share capital		(2)	(38)
Proceeds from bank borrowings		3,490	5,979
Proceeds from issuance of debt securities		977	139
Repayments of lease liabilities		(69)	(64)
Repayments of bank borrowings		(3,662)	(1,807)
Repayments of debt securities		(619)	(220)
Repayment of loans from related companies		(13)	(4,537)
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)
Cash and cash equivalents reclassified to assets held for sale		(29)	–
Cash and cash equivalents at end of the year	14	2,624	3,815

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 15 March 2023.

1 DOMICILE AND ACTIVITIES

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS). SFRS(I) are issued by the Accounting Standards Council and comprise standards and interpretations that are equivalent to IFRS as issued by the International Accounting Standard Board (IASB). All references to SFRS(I) and IFRS are subsequently referred to as SFRS(I) in these financial statements unless otherwise stated.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

(c) Functional and presentation currency

These financial statements are presented in Singapore Dollars, which is the Company's functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest million, unless otherwise stated.

(d) Use of estimates and judgements

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

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

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

2.1 **Basis of preparation** (continued)

(d) **Use of estimates and judgements** (continued)

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 6	–	consolidation; whether the Group has control over the investee
Note 9	–	recognition of deferred tax assets
Note 2.2 (a), 30	–	accounting for acquisitions as business combinations or asset acquisitions

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 4	–	measurement of recoverable amounts of goodwill
Note 5, 31	–	determination of fair value of investment properties
Note 30	–	determination of fair value of assets, liabilities and contingent liabilities acquired in business combinations
Note 31	–	determination of fair value of financial instruments

The accounting policies set out below have been applied consistently by the Group entities to all periods presented in these financial statements, except as explained in note 37 which address changes in accounting policies.

2.2 **Basis of consolidation**

(a) **Business combinations and property acquisitions**

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets or acquisition of a property is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a “concentration test” that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Goodwill arising from business combinations are measured as described in note 2.5(a).

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

2.2 **Basis of consolidation** (continued)

(a) **Business combinations and property acquisitions** (continued)

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree’s net assets in the event of liquidation are measured either at fair value or at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition date fair value, unless another measurement basis is required by SFRS(I). If the business combination is achieved in stages, the Group’s previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to profit or loss.

When acquisition of an asset or a group of assets does not constitute a business combination, it is treated as property acquisition. In such cases, the individual identifiable assets acquired and liabilities assumed are recognised. The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction does not give rise to goodwill.

(b) **Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s interests in subsidiaries that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset at fair value through other comprehensive income asset depending on the level of influence retained.

(c) **Associates and joint ventures**

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. Joint ventures are entities over whose activities the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

2.2 **Basis of consolidation** (continued)

(c) Associates and joint ventures (continued)

Associates and joint ventures are accounted for using the equity method (collectively referred to as "equity-accounted investees") and are recognised initially at cost. The cost of the investments includes transaction costs. The Group's investments in equity-accounted investees include goodwill identified on acquisition, net of any accumulated impairment losses. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operation or has made payments on behalf of the investee.

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2.11. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(d) Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(f) Acquisition under common control

Business combinations arising from transfers of interest in entities that are under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously and no adjustments are made to reflect the fair values or recognised any new assets or liabilities, including no goodwill is recognised as a result of the combination. The components of equity of the acquired entities are added to the same components within the Group equity. Any difference between the consideration paid for the acquisition and share capital of the acquiree is recognised directly to equity as reserve on consolidation.

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

2.3 **Foreign currencies**

Foreign currency transactions

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency).

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are translated to the functional currency at the exchange rate prevailing at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising from translation are recognised in profit or loss, except for differences arising from the translation of monetary items that in substance form part of the Group's net investment in a foreign operation, financial assets fair value through other comprehensive income and financial liabilities designated as hedges of net investment in a foreign operation (note 2.8) or qualifying cash flow hedges to the extent such hedges are effective, which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisitions, are translated to Singapore Dollars at exchange rates prevailing at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore Dollars at exchange rates prevailing at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or a joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is transferred to profit or loss.

Net investment in a foreign operation

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income and are presented in the translation reserve in equity.

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

2.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Certain of the Group's property, plant and equipment acquired through interests in subsidiaries, are accounted for as acquisition of assets (note 2.2(a)).

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset if it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and its cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use. Freehold land has unlimited useful life and therefore is not depreciated. Depreciation on property, plant and equipment is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Leasehold land and buildings	30 to 99 years
Plant, machinery and improvements	1 to 10 years
Motor vehicles	5 years
Furniture, fittings and equipment	1 to 10 years

Assets under construction are stated at cost and are not depreciated. Expenditure relating to assets under construction (including borrowing costs) are capitalised when incurred. Depreciation will commence when the development is completed and ready for use.

The assets' residual values, useful lives and depreciation methods are reviewed at each reporting date, and adjusted if appropriate.

2.5 Intangible assets

(a) Goodwill

For business combinations, the Group measures goodwill as at acquisition date based on the fair value of the consideration transferred (including the fair value of any pre-existing equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the amount is negative, a gain on bargain purchase is recognised in profit or loss. Goodwill is subsequently measured at cost less accumulated impairment losses.

Goodwill arising from the acquisition of subsidiaries is included in intangible assets. Goodwill arising from the acquisition of associates and joint ventures is presented together with interests in associates and joint ventures.

Goodwill is tested annually for impairment as described in note 2.11.

(b) Other intangible assets

Other intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. These are amortised in profit or loss on a straight-line basis over their estimated useful lives of one to ten years, from the date on which the assets are available for use.

Other intangible assets with indefinite useful lives are not amortised and are measured at cost less accumulated impairment losses.

Notes to the Financial Statements

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

2.6 Investment properties and investment properties under development

Investment properties are properties held either to earn rental or for capital appreciation or both. Investment properties under development are properties being constructed or developed for future use as investment properties. Certain of the Group's investment properties acquired through interests in subsidiaries, are accounted for as acquisition of assets (note 2.2(a)).

Investment properties and investment properties under development are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. The fair value is determined based on internal valuation or independent professional valuation. Independent valuation is also carried out on occurrence of acquisition.

When an investment property or investment property under development is disposed of, the resulting gain or loss recognised in profit or loss is the difference between the net disposal proceed and the carrying amount of the property.

Transfers to, or from, investment properties are made where there is a change in intent and use, evidenced by:

- development with a view to sell, for a transfer from investment properties to development properties for sale;
- commencement of leasing activities for a transfer from development properties for sale to investment properties;
- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

2.7 Non-current assets and liabilities held for sale

Non-current assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the applicable SFRS(I). Thereafter, the assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment classified as held for sale are not amortised or depreciated. In addition, equity accounting of associates and joint ventures ceases once the investments are classified as held for sale.

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

2.8 **Financial instruments**

(a) **Non-derivative financial assets**

Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVTPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

At initial recognition

A financial asset is recognised if the Group becomes a party to the contractual provisions of the financial asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) ***Financial assets at amortised cost***

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) ***Financial assets at FVOCI***

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income (OCI) and accumulated in fair value reserve, except for the recognition of impairment, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other operating income and expenses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

The Group has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of equity investments classified as FVOCI are presented as "fair value gains/losses" in OCI. Dividends from equity investments are recognised in profit or loss as dividend income. On disposal of an equity investment, any difference between the carrying amount and sales proceed amount would be recognised in OCI and transferred to revenue reserve along with the amount previously recognised in OCI relating to that asset.

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

2.8 **Financial instruments** (continued)

(a) **Non-derivative financial assets** (continued)

At subsequent measurement *(continued)*

(iii) ***Financial assets at FVTPL***

Financial assets that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other operating income".

(b) **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

(c) **Non-derivative financial liabilities**

The Group initially recognises debt securities issued on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

A financial liability is classified as fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method. Other financial liabilities comprise loans, borrowings, debt securities and trade and other payables.

(d) **Derecognition**

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

– the change is necessary as a direct consequence of the reform; and
– the new basis of determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the changes.

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

2.8 **Financial instruments** (continued)

(d) **Derecognition** (continued)

Interest rate benchmark reform *(continued)*

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modification to the additional changes.

(e) **Offsetting**

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(f) **Derivative financial instruments and hedge accounting**

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (a) fair value hedge; (b) cash flow hedge; or (c) net investment hedge.

On initial designation of the derivative as the hedging instrument, the Group formally documents the economic relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

Where the hedged forecast transaction subsequently results in the recognition of a non-financial item, such as inventory, the amounts recognised as OCI is included in the initial cost of the non-financial item.

Notes to the Financial Statements

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

2.8 **Financial instruments** (continued)

(f) **Derivative financial instruments and hedge accounting** (continued)

Cash flow hedges *(continued)*

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

Fair value hedges

The firm commitment of contracts entered into with various customers denominated in foreign currencies are designated as the hedged item. The Group uses foreign currency forwards to hedge its exposure to foreign currency risk arising from these contracts. Under the Group's policy, the critical terms of the forward exchange contracts must align with the hedged items. The Group designates the spot component of forward contracts as the hedging instrument. The fair value changes on the hedged item resulting from currency risk are recognised in profit or loss. The fair value changes on the spot of the currency forwards designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of currency forwards are recognised in profit or loss and presented separately in "other operating income or expenses".

Net investment hedge

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss on disposal of the foreign operation.

Separable embedded derivatives

Changes in the fair value of separated embedded derivatives are recognised immediately in profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

Hedges directly affected by interest rate benchmark reform

<u>Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from interest rate benchmark reform</u>

A hedging relationship is directly affected by the uncertainties arising from the interbank offered rates (IBOR) reform with respect to the hedged risk and the timing and amount of the interest rate benchmark-based cash flows of the hedged item and hedge instruments. For the purpose of evaluating whether the hedging relationship is expected to be highly effective (i.e. prospective effectiveness assessment), the Group assumes that the benchmark interest rate on which the cash flows are based is not altered as a result of IBOR reform.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial instruments (continued)

(f) Derivative financial instruments and hedge accounting (continued)

Hedges directly affected by interest rate benchmark reform *(continued)*

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The Group will cease to apply the amendments to its effectiveness assessment of the hedging relationship at the earlier of, when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the hedged risk and the timing and the amount of the interest rate benchmark-based cash flows of the hedged item and hedging instrument; and when the hedging relationship is discontinued.

<u>Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform</u>

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cashflows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedged instrument.

The Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial instruments (continued)

(f) Derivative financial instruments and hedge accounting (continued)

Hedges directly affected by interest rate benchmark reform *(continued)*

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cashflows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

(g) Sustainability-linked loans

The Group borrows loans with contractual cash flows based on the Group meeting several sustainability performance targets. The Group has determined that the variability in cash flows linked to the Group's sustainability performance targets is a non-financial variable specific to the parties to the contract, and therefore, in accordance with the Group's accounting policy, the feature fails the definition of a derivative. Accordingly, the feature is not separated. Instead, it is included in the calculation of the effective interest of the loans.

(h) Perpetual securities

The perpetual securities do not have a maturity date and distribution payment is optional at the discretion of the Group. As the Group does not have a contractual obligation to repay the principal nor make any distributions, perpetual securities are classified as a separate class of equity.

Any distributions made are directly debited from total equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

(i) Financial guarantees

Financial guarantee contracts are classified as financial liabilities unless the Group has previously asserted explicitly that it regards such contracts as insurance contracts and accounted for them as such.

Financial guarantees classified as financial liabilities

Such financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount of loss allowance. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to profit or loss.

Financial guarantees classified as insurance contracts

Provision is recognised based on the Group's estimates of the ultimate cost of settling all claims incurred but unpaid at the end of the reporting period.

The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial instruments (continued)

(j) Impairment of financial assets

The Group assesses on a forward looking basis the ECL associated with its financial assets carried at amortised cost and FVOCI, contract assets and financial guarantee classified as insurance contracts. For trade receivables, lease receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group applies the general approach of 12-month ECL at initial recognition for all other financial assets and financial guarantee contracts.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2.9 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Repurchase, disposal and reissue of share capital (treasury shares)

Where share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in reserve for own shares account. Where treasury shares are subsequently reissued, sold or cancelled, the consideration received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Share capital (continued)

Distribution of non-cash assets to owners of the Company

The Company measures a liability to distribute non-cash assets as a dividend or capital return to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Company recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

2.10 Development properties for sale

Development properties are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the property. The write-down to net realisable value is presented as allowance for foreseeable losses.

The cost of development properties comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure.

When the development properties for sale are being transferred to investment property, any difference between the fair value of the property and its previous carrying amount at the date of transfer is recognised in profit or loss.

2.11 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, development properties for sale and stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified, an impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGU that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the CGU on a *pro-rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Employee benefits

All short-term employee benefits, including accumulated compensated absences, are measured on an undiscounted basis and are recognised in the period in which the employees render their services.

The Group's obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.

A provision is recognised for the amount expected to be paid under cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in profit or loss in the period during which the related services are rendered by employees.

Share-based payments

For equity-settled share-based payment transactions, the fair value of the services received is recognised as an expense with a corresponding increase in equity over the vesting period during which the employees become unconditionally entitled to the equity instrument. The fair value of the services received is determined by reference to the fair value of the equity instrument granted at the grant date. At each reporting date, the number of equity instruments that are expected to be vested are estimated. The impact on the revision of original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period, unless the revision to original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimate due to market conditions. The Group recognises the effect of modification that increase the total fair value of the share-based payment arrangement. The incremental fair value granted is included in the measurement of the amount recognised for services received over the period from modification date until the date when the modified equity-settled share-based payments transactions vest.

For cash-settled share-based payment transactions, the fair value of the goods or services received is recognised as an expense with a corresponding increase in liability. The fair value of the services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

2.13 Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision for onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contact. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Leases

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use assets and a lease liability at the lease commitment date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the leases liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end if the lease term or the cost of the right-of-use assets reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property carried at fair value in accordance with note 2.6.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

The Group presents the right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "borrowings" in the balance sheet.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group leases out its investment property, including own property and right-of-use assets. The Group has classified these leases as operating leases.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Leases (continued)

***(ii) As a lessor** (continued)*

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received from investment property under operating leases as rental income on a straight-line basis over the lease term as part of "revenue". Rental income from sub-leased property is recognised as "other income".

2.15 Revenue recognition

Rental income

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

Fee income

Fee income from provision of fund and asset management, property management, lodging management and administrative and support service is recognised as the services are provided.

The Group also earns performance fees from the provision of fund management services. Performance fees are for performance obligations fulfilled over time and for which consideration is variable. The fees for each applicable fund are determined in accordance with the relevant agreement which stipulates out-performance of a benchmark over a given period. Performance fee revenue is recognised to the extent that it is highly probable that the amount of variable consideration recognised will not be significantly reversed when the uncertainty is resolved.

Development properties for sale

The Group develops and sells residential projects to customers through fixed-price contracts. Revenue is recognised when the control over the residential project has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the residential project over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

For certain contracts where the Group does not have enforceable right to payment, revenue is recognised only when the completed residential project is delivered to the customers and the customers have accepted it in accordance with the sales contract.

Revenue is measured at the transaction price agreed under the contract. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For costs incurred in fulfilling the contract, the Group will capitalise these as contract costs assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Revenue recognition (continued)

***Development properties for sale** (continued)*

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

2.16 Government grants

Government grants related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as "other operating income" on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as "other operating income" on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

2.17 Finance income and finance costs

The Group's finance income and finance costs mainly comprise interest income and interest expense. Interest income or expense is recognised in profit or loss using the effective interest rate method. Interest expense that is directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale, is capitalised.

2.18 Tax

Income tax expense comprises current and deferred tax expense, as well as land appreciation tax in China. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and lease liability for a specific lease are presented as net for the purpose of recognising deferred tax.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Land appreciation tax in China relates to the tax on gains arising from the transfer of land use right and the buildings that are constructed on the land. Land appreciation tax is levied at 30% to 60% on gain from sale of landed properties with reference to the percentage of appreciated value over the deductible expenditure.

2.19 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share plans granted to employees.

2.20 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the CLI Leadership Council (the Council) that makes strategic resource allocation decisions. The Council comprises the Group Chief Executive Officer (CEO), CEOs of the business units and key management officers of the corporate office.

2.21 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if operation had been discontinued from the start of the comparative year.

3 PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	2022 $'M	2021 $'M	2022 $'M	2021 $'M
Property, plant and equipment owned	923	697	*	*
Right-of-use assets classified within property, plant and equipment	302	370	13	21
	1,225	1,067	13	21

* Less than $1 million

Property, plant and equipment owned

	Land and buildings $'M	Plant, machinery and improvements $'M	Motor vehicles $'M	Furniture, fittings and equipment $'M	Assets under construction $'M	Total $'M
The Group						
Cost						
At 1 January 2021	637	108	12	437	8	1,202
Translation differences	6	(1)	*	(10)	1	(4)
Additions	1	1	–	17	4	23
Disposal of subsidiaries	–	(2)	–	(1)	–	(3)
Disposals/Written off	–	(4)	(1)	(25)	*	(30)
Reclassification to other categories of assets	–	–	–	(6)	(2)	(8)
Reclassifications	4	(14)	–	17	(7)	–
At 31 December 2021	648	88	11	429	4	1,180
At 1 January 2022	648	88	11	429	4	1,180
Translation differences	(57)	(7)	(1)	(30)	–	(95)
Additions	1	1	*	20	6	28
Disposals/Written off	–	(6)	*	(11)	*	(17)
Reclassification from other categories of assets	322	*	*	5	–	327
Reclassifications	1	–	–	1	(2)	–
At 31 December 2022	915	76	10	414	8	1,423

* Less than $1 million

3 **PROPERTY, PLANT AND EQUIPMENT** (CONTINUED)

Property, plant and equipment owned *(continued)*

	Note	Land and buildings $'M	Plant, machinery and improvements $'M	Motor vehicles $'M	Furniture, fittings and equipment $'M	Assets under construction $'M	Total $'M
The Group							
Accumulated depreciation and impairment loss							
At 1 January 2021		82	48	12	313	–	455
Translation differences		*	*	*	(7)	–	(7)
Depreciation for the year	25(c)(ii)	16	12	*	42	–	70
Disposal of subsidiaries		–	(2)	–	–	–	(2)
Disposals/Written off		–	(4)	(1)	(22)	–	(27)
Reclassification to other categories of assets		–	–	–	(6)	–	(6)
Reclassifications		–	(8)	–	8	–	–
At 31 December 2021		98	46	11	328	–	483
At 1 January 2022		98	46	11	328	–	483
Translation differences		(1)	(3)	(1)	(26)	–	(31)
Depreciation for the year	25(c)(ii)	18	9	*	37	–	64
Disposals/Written off		–	(6)	*	(10)	–	(16)
At 31 December 2022		115	46	10	329	–	500
Carrying amounts							
At 1 January 2021		555	60	–	124	8	747
At 31 December 2021		550	42	–	101	4	697
At 31 December 2022		800	30	–	85	8	923

* Less than $1 million

As at 31 December 2022, the carrying amounts of land and buildings comprise freehold land and buildings of $462 million (2021: $530 million) and leasehold land and buildings of $338 million (2021: $20 million).

As at 31 December 2022, certain property, plant and equipment with carrying value totalling approximately $15 million (2021: $19 million) were mortgaged to banks to secure credit facilities for the Group (note 16).

(a) The classification of lodging properties as property, plant and equipment or investment property is based on the level of ancillary services, length of stay, amongst other factors. During the year, the Group evaluated and reclassified a hotel property operated under management contract in Singapore to property, plant and equipment based on the fair value obtained from independent professional valuation as at 31 December 2021. The Group plans to rebrand and renovate the property, and operate it as a full facility hotel.

3 **PROPERTY, PLANT AND EQUIPMENT** (CONTINUED)

Right-of-use assets classified within property, plant and equipment

	Note	Buildings $'M
The Group		
Cost		
At 1 January 2021		467
Translation differences		(2)
Additions		83
Expiry/Termination of leases		(7)
At 31 December 2021		541
At 1 January 2022		541
Translation differences		(37)
Additions		61
Expiry/Termination of leases		(82)
At 31 December 2022		483
Accumulated depreciation		
At 1 January 2021		118
Translation differences		(4)
Depreciation for the year	25(c)(ii)	63
Expiry/Termination of leases		(6)
At 31 December 2021		171
At 1 January 2022		171
Translation differences		(12)
Depreciation for the year	25(c)(ii)	67
Expiry/Termination of leases		(45)
At 31 December 2022		181
Carrying amounts		
At 1 January 2021^		349
At 31 December 2021^		370
At 31 December 2022^		302

	Buildings $'M
The Company	
Cost	
At 1 January 2021	–
Additions	24
At 31 December 2021	24
At 1 January 2022 and 31 December 2022	24
Accumulated depreciation	
At 1 January 2021	–
Depreciation for the year	3
At 31 December 2021	3
At 1 January 2022	3
Depreciation for the year	8
At 31 December 2022	11
Carrying amounts	
At 1 January 2021	–
At 31 December 2021	21
At 31 December 2022	13

^ Right-of-use assets include motor vehicles with carrying amount less than $1 million as at 31 December 2022 and 31 December 2021

4 INTANGIBLE ASSETS

	Note	Goodwill $'M	Management contracts $'M	Others^ $'M	Total $'M
The Group					
Cost					
At 1 January 2021		749	317	216	1,282
Additions		–	–	19	19
Written off		–	–	(1)	(1)
Reclassification from other categories of assets		–	–	18	18
Translation differences		(3)	*	1	(2)
At 31 December 2021		746	317	253	1,316
At 1 January 2022		746	317	253	1,316
Additions		–	25	101	126
Acquisition of subsidiary	29(b)	49	8	–	57
Written off		–	–	(4)	(4)
Reclassification from other categories of assets		–	3	(2)	1
Translation differences		(15)	(6)	(7)	(28)
At 31 December 2022		780	347	341	1,468
Accumulated amortisation and impairment loss					
At 1 January 2021		212	–	64	276
Amortisation for the year	25(c)(ii)	–	–	27	27
Impairment for the year	25(c)(iii)	–	–	15	15
Written off		–	–	(1)	(1)
Reclassification from other categories of assets		–	–	8	8
Translation differences		1	–	*	1
At 31 December 2021		213	–	113	326
At 1 January 2022		213	–	113	326
Amortisation for the year	25(c)(ii)	–	1	14	15
Written off		–	–	(4)	(4)
Translation differences		(11)	–	–	(11)
At 31 December 2022		202	1	123	326
Carrying amounts					
At 1 January 2021		537	317	152	1,006
At 31 December 2021		533	317	140	990
At 31 December 2022		578	346	218	1,142

^ Others comprise trademarks, software and licences and club memberships. The additions for the year mainly relate to the purchase of trademark of a lodging platform.
* Less than $1 million

4 INTANGIBLE ASSETS (CONTINUED)

(a) Impairment test for goodwill

The key assumptions used in the estimation of the recoverable amount are set below:

	Key assumptions: Terminal growth rates 2022 %	Terminal growth rates 2021 %	Discount rates 2022 %	Discount rates 2021 %	Carrying Value 2022 $'M	Carrying Value 2021 $'M
The Ascott Limited (Ascott)	0.5	0.2	6.3	5.6	417	417
Synergy Global Housing	2.0	2.0	12.0	10.0	5	5
TAUZIA Hotel Management (TAUZIA)	3.0	2.0	15.5	13.5	10	9
QSA Group Pty Ltd (QSA Group)	1.7	2.5	12.0	11.0	48	53
Oakwood Worldwide (Asia) Pte. Ltd. (Oakwood)	2.0	–	12.5	–	49	–
Ascendas-Singbridge (ASB)	1.0	1.0	6.3	4.4	49	49
As at 31 December					578	533

Ascott, Synergy Global Housing, TAUZIA, QSA Group and Oakwood

The recoverable amounts of the CGUs are determined based on value in use calculations. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent forecasts approved by management covering three to ten years. The discounted cash flow models also took into account the probability of changes to cashflow projection, taking into consideration the COVID-19 pandemic. Cash flows beyond these periods are extrapolated using the estimated terminal growth rates stated in the table above. The discount rates applied are the weighted average cost of capital from the relevant business segments. The key assumptions are those relating to expected changes in average rental, occupancy rates, direct costs and market volatility affecting weighted average cost of capital. The terminal growth rates used for each CGU are based on management's expectation of the long-term average growth rates of the respective industry and countries in which the CGUs operate. Management has assessed that the recoverable amount to be higher than its carrying amount.

As disclosed in note 30, goodwill of $49 million was recorded on the acquisition of Oakwood in July 2022.

ASB

The recoverable amount of the CGU is determined based on value in use calculations. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent forecasts approved by management covering 10 years. Cash flows beyond the third year are extrapolated using the estimated terminal growth rate of 1.0% (2021: 1.0%). The discount rate of 6.3% (2021: 4.4%) is applied using the weighted average cost of capital from the relevant business segment. Management has assessed that the recoverable amount to be higher than its carrying amount.

(b) Impairment test for management contracts

These mainly relate to the management contracts entered into between subsidiary companies and CapitaLand Ascendas REIT (CLAR, formerly known as Ascendas Real Estate Investment Trust) and CapitaLand India Trust (formerly known as Ascendas India Trust). These contracts are deemed to have indefinite useful lives and are measured at cost less accumulated impairment losses.

The recoverable amount of the CGU is determined based on value in use calculations. Cash flow projections are based on forecast using discount rates of 8.0% to 9.3% (2021: 5.9% to 8.4%) and growth rates of 1.0% (2021: 1.0%) covering a 10-year period and beyond. The forecast is reviewed, updated and approved by management on an annual basis. The Group has assessed and determined that no impairment in the value of management contracts has arisen.

4 INTANGIBLE ASSETS (CONTINUED)

(c) In 2021, an impairment loss of $15 million was recognised in respect of certain software applications. Management has assessed and fully impaired the carrying amounts of these software applications as they are expected to be phased out and replaced due to the implementation of new software applications. The impairment losses were recognised in other operating expenses in the consolidated income statement.

5 INVESTMENT PROPERTIES

	Note	The Group 2022 $'M	The Group 2021 $'M
At 1 January		16,249	15,852
Acquisition of subsidiaries	29(b)	220	1,118
Disposal of subsidiaries	29(d)	(1,646)	(1,015)
Additions		1,273	1,237
Disposals		(36)	(1,182)
Reclassification to assets held for sale		(351)	(2)
Reclassification to development properties for sale		–	(18)
Reclassification to property, plant and equipment		(327)	–
Changes in fair value	25(a)	250	255
Translation differences		(926)	4
At 31 December		14,706	16,249

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

The carrying amounts of the investment properties at reporting dates were based on valuations performed by the independent external valuers. The valuers had considered valuation techniques including the direct comparison method, capitalisation approach, discounted cash flows and residual method in arriving at the open market value as at the reporting date.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. In the residual method of valuation, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. Details of valuation methods and key assumptions used to estimate the fair values of investment properties are set out in note 31.

Due to the uncertain future impact that the COVID-19 pandemic, geopolitical events in Ukraine and global inflationary pressures might have on the real estate market, the carrying amounts of the investment properties were current as at 31 December 2022 only. Values for certain properties may change more rapidly and significantly than during normal market conditions.

5 INVESTMENT PROPERTIES (CONTINUED)

(b) The Group's investment properties which are classified under Level 3 in the fair value hierarchy are analysed below:

	Shopping mall $'M	Office $'M	Integrated development $'M	Lodging $'M	Business park, industrial and logistics $'M	Total $'M
The Group						
31 December 2022						
Singapore	–	–	–	912	204	1,116
China (includes Hong Kong)	441	1,214	561	330	1,278	3,824
Others*	1,307	51	141	7,637	630	9,766
	1,748	1,265	702	8,879	2,112	14,706
31 December 2021						
Singapore	–	1,100	–	1,146	207	2,453
China (includes Hong Kong)	481	900	614	376	1,420	3,791
Others*	1,537	366	–	7,432	670	10,005
	2,018	2,366	614	8,954	2,297	16,249

* Others include countries in Asia (excluding Singapore and China), Europe, United Kingdom, United States of America and Australia.

(c) As at 31 December 2022, investment properties valued at $1,053 million (2021: $710 million) were under development.

(d) As at 31 December 2022, certain investment properties with carrying value of approximately $8,166 million (2021: $9,291 million) were mortgaged to banks to secure credit facilities (notes 16 and 17).

(e) Investment properties of the Group are held mainly for use by tenants under operating leases. Minimum lease payments receivable under non-cancellable operating leases of investment properties and not recognised in the financial statements are as follows:

	2022 $'M	2021 $'M
Lease rentals receivable:		
Less than one year	316	503
One to two years	203	357
Two to three years	135	287
Three to four years	83	256
Four to five years	58	230
More than five years	295	882
	1,090	2,515

(f) Contingent rents, representing income based on sales turnover achieved by tenants, amounted to $13 million for the year ended 31 December 2022 (2021: $8 million).

(g) As at 31 December 2022, the right-of-use of the land and buildings that are classified within investment properties has a carrying amount of $305 million (2021: $347 million).

(h) As at 31 December 2022, the investment properties that are freehold and leasehold are valued at $8,043 million (2021: $7,594 million) and $6,663 million (2021: $8,655 million) respectively.

6 SUBSIDIARIES

		The Company 2022 $'M	The Company 2021 $'M
(a)	Unquoted shares, at cost	6,918	6,718
	Less:		
	Allowance for impairment loss	(45)	(37)
		6,873	6,681
	Add:		
	Amounts due from subsidiaries, at amortised cost:		
	Loan accounts		
	– interest free	4,295	4,478
		11,168	11,159

(i) Loans due from subsidiaries are unsecured and not expected to be repaid within the next twelve months.

(ii) Movements in allowance for impairment loss were as follows:

	The Company 2022 $'M	The Company 2021 $'M
At 1 January	(37)	(8)
Allowance during the year	(8)	(29)
At 31 December	(45)	(37)

(iii) During the year ended 31 December 2022, the Company carried out a review of the recoverable amount of its investment in subsidiaries and recognised an impairment loss of $8 million (2021: $29 million) in respect of its investment in subsidiaries.

The recoverable amounts of the relevant subsidiaries were estimated based on the net assets of the subsidiaries as at the reporting date and approximates their fair values. The fair value measurement is categorised as Level 3 in the fair value hierarchy.

(iv) The Company's exposure to credit risk on the amounts due from subsidiaries is disclosed in note 32.

6 SUBSIDIARIES (CONTINUED)

(b) The significant subsidiaries directly and indirectly held by the Company, which are incorporated and conducting business in the Republic of Singapore, are as set out below:

Name of Company	Effective interest 2022 %	Effective interest 2021 %
CapitaLand Business Services Pte Ltd	100	100
CLI India Pte Ltd	100	100
CLI International Pte Ltd	100	100
CapitaLand Mall Asia Limited[1]	100	100
CLI FM Pte Ltd	100	100
CLI PE Pte. Ltd. (formerly known as CLI FM Two Pte. Ltd.)	100	100
CLI Singapore Pte Ltd	100	100
CLI Treasury Limited	100	100
The Ascott Limited	100	100

All the above subsidiaries are audited by KPMG LLP Singapore.

1 Includes 15.2% (2021: 15.2%) interest indirectly held through CapitaLand Business Services Pte Ltd.

(c) Determining whether the Group has control over the REITs it manages requires management judgement. In exercising its judgement, management considers the proportion of its ownership interest and voting rights, the REIT managers' decision making authority over the REITs as well as the Group's overall exposure to variable returns, both from the REIT managers' remuneration and their interests in the REITs.

The Group assesses that it controls CapitaLand Malaysia Trust (CLMT) and CapitaLand Ascott Trust (CLAS, formerly known as Ascott Residence Trust) (collectively referred to as consolidated REITs), although the Group owns less than half of the ownership interest and voting power of the consolidated REITs. CLAS is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust (formerly known as Ascott Real Estate Investment Trust) and CapitaLand Ascott Business Trust (formerly known as Ascott Business Trust).

The activities of the consolidated REITs are managed by the Group's wholly-owned subsidiaries, namely CapitaLand Malaysia Mall REIT Management Sdn Bhd and CapitaLand Ascott Trust Management Limited (formerly known as Ascott Residence Trust Management Limited) and CapitaLand Ascott Business Trust Management Pte. Ltd. (formerly known as Ascott Business Trust Management Pte. Ltd.) (collectively referred to as REIT Managers). REIT Managers have decision-making authority over the consolidated REITs, subject to oversight by the trustee of the respective consolidated REITs. The Group's overall exposure to variable returns, both from the REIT Managers' remuneration and the interests in the consolidated REITs, is significant and any decisions made by the REIT Managers affect the Group's overall exposure.

6 SUBSIDIARIES (CONTINUED)

(d) The following subsidiary of the Group has material non-controlling interests (NCI):

Name of Entity	Principal place of business	Effective interest held by NCI 2022 %	Effective interest held by NCI 2021 %
CapitaLand Ascott Trust[1]	Asia Pacific, Europe and United States of America	62.5	61.0

1 Indirectly held through The Ascott Limited. Audited by KPMG LLP Singapore.

The following table summarises the financial information of CLAS, based on its consolidated financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The information is before inter-company eliminations with other entities in the Group.

	CLAS Group $'M	Other subsidiaries with individually immaterial NCI $'M	Total $'M
31 December 2022			
Revenue	621		
Profit after tax	226		
Other comprehensive income	(161)		
Total comprehensive income	65		
Attributable to NCI:			
– Profit	142	67	209
– Total comprehensive income	40	(53)	(13)
Current assets	502		
Non-current assets	7,522		
Current liabilities	(671)		
Non-current liabilities	(2,908)		
Net assets	4,445		
Net assets attributable to NCI	2,957	443	3,400
Cash flows from:			
– Operating activities	282		
– Investing activities	(309)		
– Financing activities[1]	71		
Net increase in cash and cash equivalents	44		

1 Includes dividends paid to NCI.

Notes to the Financial Statements

6 SUBSIDIARIES (CONTINUED)

	CLAS Group $'M	Other subsidiaries with individually immaterial NCI $'M	Total $'M
31 December 2021			
Revenue	394		
Profit after tax	310		
Other comprehensive income	13		
Total comprehensive income	323		
Attributable to NCI:			
– Profit	189	22	211
– Total comprehensive income	198	29	227
Current assets	464		
Non-current assets	7,270		
Current liabilities	(972)		
Non-current liabilities	(2,394)		
Net assets	4,368		
Net assets attributable to NCI	2,852	809	3,661
Cash flows from:			
– Operating activities	146		
– Investing activities	(539)		
– Financing activities[1]	259		
Net decrease in cash and cash equivalents	(134)		

1 Includes dividends paid to NCI.

CLAS is regulated by the Monetary Authority of Singapore and is supervised by the Singapore Exchange Securities Trading Limited for compliance with the Singapore Listing Rules. Under the regulatory framework, transactions between the Group and CLAS are either subject to review by CLAS's trustee and significant transactions must be approved by a majority of votes by the holders of units in CLAS at a meeting of unitholders.

Notes to the Financial Statements

7 ASSOCIATES

		Note	The Group 2022 $'M	The Group 2021 $'M
(a)	Investment in associates		10,404	10,465
	Add:			
	Amounts due from associates, at amortised cost:	(i)		
	Loan accounts- interest free		13	–
	Loan accounts- interest bearing		*	1
			10,417	10,466

* Less than $1 million

(i) These are shareholder loans provided to associates which are unsecured and not expected to be repaid within the next twelve months.

		Note	The Group 2022 $'M	The Group 2021 $'M
(b)	Amounts due from associates:			
	Current accounts (unsecured)			
	– interest free (trade)		170	224
	– interest free (non-trade)		32	25
	– interest bearing (non-trade)		–	17
	Presented in trade and other receivables	12	202	266
	Non-current loans (unsecured)			
	– interest free		4	–
	– interest bearing		70	3
	Presented in other non-current assets	10	74	3

(i) The effective interest rates for interest-bearing amounts due from associates ranged from 2.70% to 5.50% (2021: 2.70% to 5.50%) per annum as at 31 December 2022.

(ii) The Group's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 32.

		Note	The Group 2022 $'M	The Group 2021 $'M	The Company 2022 $'M	The Company 2021 $'M
(c)	Amounts due to associates:					
	Current accounts (mainly non-trade and unsecured)					
	– interest free		9	7	1	–
	– interest bearing		–	5	–	–
	Presented in trade and other payables	15	9	12	1	–

(i) The effective interest rates for amounts due to associates ranged from 5.25% to 8.00% per annum in 2021.

7 ASSOCIATES (CONTINUED)

(d) The following are the material associates of the Group:

Name of Company	Nature of relationship with the Group	Principal place of business	Effective interest 2022 %	Effective interest 2021 %
CapitaLand Integrated Commercial Trust (CICT)[1]	Singapore-based REIT which invests in shopping malls and commercial properties in Singapore, Australia and Europe	Singapore	22.9	22.6
CapitaLand Ascendas Real Estate Investment Trust[2]	Singapore-based REIT which invests in industrial properties and business park in Singapore, Australia, United States of America, Europe and United Kingdom	Singapore	18.2	18.1

1 Audited by KPMG LLP Singapore.
2 Audited by Ernst & Young LLP Singapore.

Management assessed the extent of its control over CICT and CLAR, taking into consideration that the REITs are managed by the wholly-owned subsidiaries of the Group, the Group's effective stake in the relevant trusts and the returns (both marginal and absolute returns) generated from its investment in and management of both trusts. Management concluded that the Group does not have sufficient control over CICT and CLAR and therefore accounts for its investment in CICT and CLAR as associates.

The following summarises the financial information of the Group's material associates based on their respective consolidated financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also includes summarised aggregate financial information for the Group's interest in other individually immaterial associates, based on the amounts reported in the Group's consolidated financial statements.

7 ASSOCIATES (CONTINUED)

(d) The following are the material associates of the Group (continued):

	CICT $'M	CLAR $'M	Other individually immaterial associates $'M	Total $'M
31 December 2022				
Revenue[1]	1,442	1,353		
Profit after tax	726	760		
Other comprehensive income	(6)	(129)		
Total comprehensive income	720	631		
Attributable to:				
– NCI	3	–		
– Associate's shareholders	717	631		
	720	631		
[1] Includes:				
– Rental and related income from investment properties	1,442	1,353		
Current assets	329	363		
Non-current assets	24,338	17,513		
Current liabilities	(1,605)	(1,302)		
Non-current liabilities	(8,782)	(6,308)		
Net assets	14,280	10,266		
Attributable to:				
– NCI	206	299		
– Associate's shareholders	14,074	9,967		
Carrying amount of interest in associate at beginning of the year	3,082	2,333		
Group's share of:				
– Profit	165	136	124	425
– Other comprehensive income	1	(26)	(373)	(398)
– Total comprehensive income	166	110	(249)	27
Dividends received during the year	(84)	(117)		
Additions during the year	54	22		
Translation and other adjustments	(1)	(9)		
Carrying amount of interest in associate at end of the year	3,217	2,339	4,861	10,417
Fair value of effective ownership interest (if listed)^	3,095	2,091		

^ Based on the quoted market price at 31 December 2022.

7 ASSOCIATES (CONTINUED)

(d) The following are the material associates of the Group (continued):

	CICT $'M	CapitaLand Mall China Funds $'M	CLAR $'M	Other individually immaterial associates $'M	Total $'M
31 December 2021					
Revenue[1]	1,305	395	1,227		
Profit after tax	1,083	19	957		
Other comprehensive income	20	176	(1)		
Total comprehensive income	1,103	195	956		
Attributable to:					
– NCI	(1)	10	–		
– Associate's shareholders	1,104	185	956		
	1,103	195	956		
[1] Includes:					
– Rental and related income from investment properties	1,305	395	1,227		
Current assets	762	429	456		
Non-current assets	21,980	6,787	17,275		
Current liabilities	(1,259)	(417)	(1,771)		
Non-current liabilities	(7,787)	(2,801)	(5,682)		
Net assets	13,696	3,998	10,278		
Attributable to:					
– NCI	28	226	299		
– Associate's shareholders	13,668	3,772	9,979		
Carrying amount of interest in associate at beginning of the year	2,984	1,653	2,126		
Group's share of:					
– Profit	247	9	172	580	1,008
– Other comprehensive income	(2)	74	2	103	177
– Total comprehensive income	245	83	174	683	1,185
Dividends received during the year	(182)	(76)	(68)		
Additions during the year	21	–	102		
Translation and other adjustments	14	7	(1)		
Carrying amount of interest in associate at end of the year	3,082	1,667	2,333	3,384	10,466
Fair value of effective ownership interest (if listed)^	3,042	N/A	2,235		

^ Based on the quoted market price at 31 December 2021.

8 JOINT VENTURES

		Note	The Group 2022 $'M	The Group 2021 $'M
(a)	Investment in joint ventures		2,350	2,368
	Less:			
	Allowance for impairment loss	(i)	(8)	(8)
			2,342	2,360
	Add:			
	Amounts due from joint ventures, at amortised cost:			
	Loan accounts	(ii)		
	– interest free		390	419
	– interest bearing		16	17
	Less:			
	Allowance for impairment loss on receivables	32	(13)	(14)
			393	422
			2,735	2,782

(i) Movements in allowance for impairment loss were as follows:

	The Group 2022 $'M	The Group 2021 $'M
At 1 January	(8)	(10)
Utilised during the year	–	1
Translation differences	–	1
At 31 December	(8)	(8)

(ii) These are shareholder loans provided to joint ventures which are unsecured and not expected to be repaid within the next twelve months.

(iii) As at 31 December 2022, the effective interest rates for the interest-bearing loans to joint ventures ranged from 4.25% to 6.50% (2021: 4.25% to 6.50%) per annum.

(iv) As at 31 December 2022, shareholder loans due from joint ventures include an amount of approximately $214 million (2021: $232 million), the repayment of which is subordinated to that of the external borrowings of certain joint ventures.

		Note	The Group 2022 $'M	The Group 2021 $'M
(b)	Amounts due from joint ventures:			
	Current accounts (unsecured)			
	– interest free (trade)		48	58
	– interest free (non-trade)		244	149
	– interest bearing (mainly non-trade)		5	7
			297	214
	Less:			
	Allowance for impairment loss on receivables	32	(28)	(21)
	Presented in trade and other receivables	12	269	193

(i) As at 31 December 2022, the effective interest rate for interest-bearing amounts due from joint ventures is 1.80% (2021: 1.80%) per annum.

(ii) The Group's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 32.

8 JOINT VENTURES (CONTINUED)

		Note	The Group 2022 $'M	The Group 2021 $'M
(c)	Amounts due to joint ventures:			
	Current accounts (unsecured)			
	– interest free (mainly non-trade)		51	2
	– interest bearing (non-trade)		51	51
	Presented in trade and other payables	15	102	53

(i) As at 31 December 2022, the effective interest rate for interest-bearing amounts due to joint ventures range from 3.70% to 5.25% (2021: 3.85%) per annum.

(d) The following are the material joint ventures of the Group:

Name of Company	Nature of relationship with the Group	Principal place of business	Effective interest 2022 %	Effective interest 2021 %
Orchard Turn Holding Pte Ltd[1] (OTH)	Owner of an integrated development in Singapore	Singapore	50.0	50.0
CapitaLand Shanghai Malls[2,3,4]	Owner of two integrated developments in China	China	65.0 to 73.0	65.0 to 73.0

1 Audited by KPMG LLP Singapore.
2 Audited by other member firms of KPMG International.
3 Considered to be a joint venture as the Group had joint control over the relevant activities of the trust with the joint venture partners.
4 CapitaLand Shanghai Malls comprised two joint ventures held through the Group's subsidiary, CapitaLand Mall Asia Limited, namely, Ever Bliss International Limited and Full Grace Enterprises Limited.

8 JOINT VENTURES (CONTINUED)

The following summarises the financial information of each of the Group's material joint ventures based on their respective consolidated financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also includes summarised financial information for the Group's interest in immaterial joint ventures, based on the amounts reported in the Group's consolidated financial statements.

	OTH Group $'M	CapitaLand Shanghai Malls $'M	Other individually immaterial joint ventures $'M	Total $'M
31 December 2022				
Revenue[1]	255	263		
Profit after tax[2]	150	(22)		
Other comprehensive income	40	(208)		
Total comprehensive income	190	(230)		
[1] Includes:				
– rental and related income from investment properties	255	263		
[2] Includes:				
– depreciation and amortisation	(3)	*		
– interest income	2	7		
– interest expense	(38)	(45)		
– tax expense	(27)	(16)		
Current assets[3]	189	340		
Non-current assets	3,294	2,731		
Current liabilities[4]	(42)	(850)		
Non-current liabilities[5]	(1,681)	(550)		
Net assets	1,760	1,671		
[3] Includes cash and cash equivalents	184	94		
[4] Includes current financial liabilities (excluding trade and other payables and provisions)	(17)	(735)		
[5] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(1,681)	(432)		
Carrying amount of interest in joint venture at beginning of the year	846	716		
Group's share of:				
– Profit/(loss)	75	(11)	42	106
– Other comprehensive income	20	(109)	(60)	(149)
– Total comprehensive income	95	(120)	(18)	(43)
Dividends received during the year	(59)	–		
Translation and other adjustments	–	8		
Carrying amount of interest in joint venture at end of the year	882	604	1,249	2,735

8 JOINT VENTURES (CONTINUED)

	OTH Group $'M	CapitaLand Shanghai Malls $'M	Other individually immaterial joint ventures $'M	Total $'M
31 December 2021				
Revenue[1]	226	253		
Profit after tax[2]	271	21		
Other comprehensive income	13	90		
Total comprehensive income	284	111		
[1] Includes:				
– rental and related income from investment properties	226	253		
[2] Includes:				
– depreciation and amortisation	(2)	(1)		
– interest income	–	8		
– interest expense	(30)	(44)		
– tax expense	(24)	(24)		
Current assets[3]	168	343		
Non-current assets	3,267	3,012		
Current liabilities[4]	(72)	(79)		
Non-current liabilities[5]	(1,675)	(1,325)		
Net assets	1,688	1,951		
[3] Includes cash and cash equivalents	167	229		
[4] Includes current financial liabilities (excluding trade and other payables and provisions)	(18)	(6)		
[5] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(1,675)	(1,141)		
Carrying amount of interest in joint venture at beginning of the year	750	660		
Group's share of:				
– Profit	135	11	64	210
– Other comprehensive income	7	43	17	67
– Total comprehensive income	142	54	81	277
Dividends received during the year	(46)	–		
Translation and other adjustments	–	2		
Carrying amount of interest in joint venture at end of the year	846	716	1,220	2,782

* Less than $1 million

(e) As at 31 December 2022, the Group's share of the capital commitments of the joint ventures is $501 million (2021: $472 million).

9 DEFERRED TAX

The movements in the deferred tax assets and liabilities were as follows:

	At 1/1/2022 $'M	Recognised in profit or loss $'M	Acquisition/ Disposal of subsidiaries $'M	Transferred to liabilities held for sale $'M	Translation differences $'M	At 31/12/2022 $'M
The Group						
Deferred tax liabilities						
Accelerated tax depreciation	15	(6)	–	(1)	*	8
Accrued income and interest receivable	4	2	–	–	*	6
Fair value adjustments arising from a business combination	101	–	1	–	(12)	90
Fair value changes of investment properties	341	85	(30)	(39)	(19)	338
Unremitted earnings	53	16	–	–	*	69
Others	24	9	–	–	(1)	32
Total	538	106	(29)	(40)	(32)	543
Deferred tax assets						
Unutilised tax losses	(4)	(8)	–	–	1	(11)
Provisions and expenses	(46)	(1)	–	–	4	(43)
Deferred income	*	(1)	–	–	*	(1)
Others	(8)	(3)	–	–	3	(8)
Total	(58)	(13)	–	–	8	(63)

	At 1/1/2021 $'M	Recognised in profit or loss $'M	Acquisition/ Disposal of subsidiaries $'M	Utilisation of tax losses $'M	Translation differences $'M	At 31/12/2021 $'M
The Group						
Deferred tax liabilities						
Accelerated tax depreciation	22	1	(8)	–	*	15
Accrued income and interest receivable	4	*	–	–	*	4
Fair value adjustments arising from a business combination	98	–	–	–	3	101
Fair value changes of investment properties	303	23	(3)	–	18	341
Unremitted earnings	12	38	3	–	*	53
Others	25	(3)	–	–	2	24
Total	464	59	(8)	–	23	538
Deferred tax assets						
Unutilised tax losses	(4)	(6)	–	6	*	(4)
Provisions and expenses	(45)	*	–	–	(1)	(46)
Deferred income	(1)	1	–	–	*	*
Others	(8)	(1)	–	–	1	(8)
Total	(58)	(6)	–	6	*	(58)

* Less than $1 million

Notes to the Financial Statements

9 DEFERRED TAX (CONTINUED)

There is no offset of deferred tax liabilities and assets as of the balance sheet dates.

As at 31 December 2022, deferred tax liabilities amounting to $11 million (2021: $2 million) had not been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries as these earnings would not be distributed in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Group has not recognised deferred tax assets in respect of the following:

	The Group 2022 $'M	2021 $'M
Deductible temporary differences	42	13
Tax losses	1,124	967
Unutilised capital allowances	11	2
	1,177	982

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the subsidiaries of the Group can utilise the benefits.

Temporary differences would expire in the following periods:

Expiry period	The Group 2022 $'M	2021 $'M
No expiry	659	525
Not later than 1 year	26	21
Between 1 and 5 years	431	389
After 5 years	61	47
	1,177	982

10 OTHER NON-CURRENT/CURRENT ASSETS

(a) Other non-current assets

	Note	The Group 2022 $'M	The Group 2021 $'M	The Company 2022 $'M	The Company 2021 $'M
Equity investments at FVTPL		114	107	–	–
Equity investments at FVOCI		67	60	–	–
Derivative financial instruments		114	22	–	–
Loans due from:					
– subsidiaries		–	–	–	3
– associates	7(b), (i)	74	3	–	–
– investee – interest free		18	–	–	–
Other receivables		6	15	–	–
Deposits		6	4	–	–
Prepayments		2	1	–	–
		401	212	–	3

(i) The effective interest rate for interest-bearing amounts due from associates ranged from 4.30% to 5.50% per annum as at 31 December 2022 (2021: 5.50%).

Notes to the Financial Statements

10 OTHER NON-CURRENT/CURRENT ASSETS (CONTINUED)

(b) Other current assets

	The Group		The Company	
	2022 $'M	2021 $'M	2022 $'M	2021 $'M
Derivative financial instruments	70	14	–	–

11 DEVELOPMENT PROPERTIES FOR SALE

	The Group	
	2022 $'M	2021 $'M
Completed development properties, at cost	260	286
Allowance for foreseeable losses	(17)	(18)
Total development properties for sale	243	268

(a) The Group makes allowance for foreseeable losses by applying its experience in estimating the net realisable values of completed units and properties under development. References were made to comparable properties, timing of sale launches, location of property, management's expected net selling prices and estimated development expenditure. Market conditions may, however, change which may affect the future selling prices of the remaining unsold units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods.

(b) Movements in allowance for foreseeable losses in respect of development properties for sale were as follows:

	The Group	
	2022 $'M	2021 $'M
At 1 January	(18)	(17)
Translation differences	1	(1)
At 31 December	(17)	(18)

12 TRADE AND OTHER RECEIVABLES

	Note	The Group 2022 $'M	The Group 2021 $'M	The Company 2022 $'M	The Company 2021 $'M
Trade receivables		286	303	*	–
Less:					
Allowance for impairment loss on receivables	32	(51)	(45)	–	–
		235	258	–	–
Deposits		20	11	*	–
Other receivables	(a)	174	789	4	1
Less:					
Allowance for impairment loss on receivables	32	(16)	(18)	–	–
		158	771	4	1
Tax recoverable		13	16	–	–
Amounts due from:					
– associates	7(b)	202	266	–	–
– joint ventures	8(b)	269	193	–	–
– subsidiaries					
Current accounts (unsecured)					
– interest free (trade)	(b)	–	–	45	58
– interest free (non-trade)	(b)	–	–	41	176
Loans (unsecured)					
– interest bearing		–	–	616	–
Less:					
Allowance for impairment loss on receivables		–	–	(16)	(16)
		–	–	686	218
– related corporations					
Current accounts (unsecured)					
– interest free (trade)		73	95	8	24
Loans and receivables		970	1,610	698	243
Prepayments		55	51	2	–
		1,025	1,661	700	243

* Less than $1 million

(a) Other receivables include consideration receivable of $42 million (2021: $689 million) from the divestment of associates. The amount had been substantially received in accordance with the agreement.

(b) Amounts due from related corporations and subsidiaries are unsecured and repayable on demand.

(c) The Group's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 32.

13 ASSETS/LIABILITIES HELD FOR SALE

	Note	The Group 2022 $'M	The Group 2021 $'M
Investment properties	31(d)(i)	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 (S$222 million). AIPP owns International Tech Park Pune in Hinjawadi in India. Accordingly, all assets and liabilities held by the AIPP were reclassified to assets held for sale and liabilities held for sale respectively as at 31 December 2022.

(b) On 29 November 2022, the Group's subsidiary, Zircon Alpha Holdings Pte. Ltd., entered into a shareholder agreement with an external investor to invest in Zillion Alpha Holdings Pte. Ltd. (ZAH) and its subsidiaries. The investor has committed to contribute capital of RMB1.89 billion or 70% of the total capital commitment and the Group's stake in ZAH will dilute from 100% to 30%. ZAH holds two data centre development projects in China. Accordingly, all assets and liabilities held by ZAH were reclassified to assets held for sale and liabilities held for sale respectively as at 31 December 2022.

14 CASH AND CASH EQUIVALENTS

	Note	The Group 2022 $'M	The Group 2021 $'M	The Company 2022 $'M	The Company 2021 $'M
Fixed deposits		1,260	443	–	–
Cash at banks and in hand		1,408	3,434	22	362
Cash and cash equivalents		2,668	3,877	22	362
Restricted bank deposits	(a)	(44)	(62)		
Cash and cash equivalents in the statement of cash flows		2,624	3,815		

(a) These are deposits placed in escrow account for bank balances of certain subsidiaries pledged in relation to banking facilities and bank balances required to be maintained as security for outstanding CapitaVoucher, as well as bank balances relating to security deposits from tenants which can only be drawn down as rental payment upon tenants' default or refunded to tenants upon lease expiry.

(b) The Group's cash and cash equivalents are denominated mainly in Singapore Dollars, Chinese Renminbi, Japanese Yen and US Dollars. As at 31 December 2022, the effective interest rates for cash and cash equivalents denominated in these currencies ranged from 0% to 4.47% (2021: 0% to 2.03%) per annum.

The cash and cash equivalents are placed with banks and financial institutions which meet the appropriate credit criteria.

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15 TRADE AND OTHER PAYABLES

	Note	The Group 2022 $'M	The Group 2021 $'M	The Company 2022 $'M	The Company 2021 $'M
Trade payables		151	162	2	*
Accruals	(a)	648	586	24	17
Accrued development expenditure		74	75	–	–
Other payables	(b)	741	737	1	4
Rental and other deposits		78	91	*	–
Derivative financial instruments		4	19	–	–
Liability for employee benefits	19	46	68	4	3
Amounts due to:					
– subsidiaries					
Current accounts (unsecured)					
– interest free (trade)		–	–	9	5
– interest bearing (non-trade)		–	–	–	43
Loans (unsecured)					
– interest free		–	–	12	–
– associates	7	9	12	1	–
– joint ventures	8	102	53	*	–
– non-controlling interests (unsecured)					
– interest free		3	1	–	–
– interest bearing		1	1	–	–
– related corporations					
Current accounts (unsecured)					
– interest free (trade)		236	323	168	197
		2,093	2,128	221	269

* Less than $1 million

(a) As at 31 December 2022, accruals included accrued operating expenses of $378 million (2021: $359 million), accrued interest payable of $56 million (2021: $30 million) as well as accrued expenditure for tax and administrative expenses which are individually immaterial.

(b) Other payables included a loan payable to an external shareholder of $233 million (2021: nil) and deferred purchase consideration for acquisition of an investment of $226 million (2021: $229 million).

In 2021, there was a dividend payable to external shareholders of $153 million which has been settled during the year.

16 BORROWINGS

	Note	The Group 2022 $'M	The Group 2021 $'M	The Company 2022 $'M	The Company 2021 $'M
Bank borrowings					
– secured		3,810	4,345	–	–
– unsecured		6,619	7,253	–	–
		10,429	11,598	–	–
Lease liabilities	(c)	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

(a) The Group's borrowings are denominated mainly in Singapore Dollars, Chinese Renminbi, Japanese Yen and US Dollars. As at 31 December 2022, the effective interest rates for bank borrowings denominated in these currencies ranged from 0.44% to 6.52% (2021: 0.41% to 4.93%) per annum.

(b) Bank borrowings are secured by the following assets, details of which are disclosed in the respective notes to the financial statements:

(i) mortgages on the borrowing subsidiaries' property, plant and equipment, investment properties, trade and other receivables and shares of certain subsidiaries of the Group; and

(ii) assignment of all rights, titles and benefits with respect to the properties mortgaged.

(c) Lease liabilities relate to the leases of property, plant and equipment (note 3) and investment properties (note 5).

16 BORROWINGS (CONTINUED)

(d) The reconciliation of liabilities arising from financing activities were as follows:

	Note	At 1/1/2022 $'M	Financing cashflows* $'M	Non-cash changes: Acquisition of subsidiaries $'M	Disposal of subsidiaries@ $'M	Foreign exchange movement $'M	Others $'M	At 31/12/2022 $'M
Bank borrowings		11,598	(172)	4	(728)	(290)	17	10,429
Debt securities	17	1,179	358	–	–	(35)	–	1,502
Lease liabilities	16	771	(69)	–	–	(34)	(9)	659
Loans from related corporations		83	(13)	–	–	–	–	70

	Note	At 1/1/2021 $'M	Financing cashflows* $'M	Non-cash changes: Acquisition of subsidiaries $'M	Disposal of subsidiaries $'M	Modification of lease liabilities $'M	Foreign exchange movement $'M	Others $'M	At 31/12/2021 $'M
Bank borrowings		6,433	4,172	1,401	(348)	–	(68)	8	11,598
Debt securities	17	1,285	(81)	–	–	–	(25)	–	1,179
Lease liabilities	16	748	(64)	–	–	27	1	59	771
Net loans from related corporations		7,514	(4,537)	–	–	–	–	(2,894)^	83

* Cashflows from financing activities presented in the consolidated statement of cash flows include interest expense paid of $418 million (2021: $342 million) which are included under accruals, amount due to associates, joint ventures, related corporations and non-controlling interests of note 15 – trade and other payables. There are no material non-cash changes associated with interest payables.

^ Includes capitalisation of $2,870 million shareholder loans against issuance of new shares.

@ Includes borrowings of $21 million (2021: nil) under liabilities held for sale.

17 DEBT SECURITIES

	The Group 2022 $'M	The Group 2021 $'M
Secured notes and bonds	187	171
Unsecured notes and bonds	1,315	1,008
	1,502	1,179
Repayable:		
Not later than 1 year	160	608
Between 1 and 5 years	1,173	571
After 5 years	169	–
	1,502	1,179

(a) As at 31 December 2022, the effective interest rates for debt securities ranged from 0.58% to 4.07% (2021: 0.46% to 3.89%) per annum.

(b) Notes and bonds

The Group's notes and bonds are mainly issued by CLAS, CLMT and CLI Treasury Limited under their respective issuance programs. These notes and bonds were denominated mainly in Singapore Dollars, Malaysian Ringgit, Japanese Yen and Euro. Save for the secured notes and bonds below, the notes and bonds issued were unsecured.

As at 31 December 2022, the secured notes and bonds amounting to $187 million (2021: $171 million) were fully secured by deposits pledged and mortgages on the investment properties of the Group. Details on assets pledged are disclosed in the respective notes to the financial statements.

18 OTHER NON-CURRENT LIABILITIES

	Note	The Group 2022 $'M	The Group 2021 $'M	The Company 2022 $'M	The Company 2021 $'M
Amounts due to (unsecured):					
– associates (interest free)	(a)	9	6	–	–
– joint ventures (interest free)	(a)	7	–	–	–
– non-controlling interests (interest free)	(a)	30	23	–	–
Loans from related corporations (unsecured) (interest free)		70	83	–	–
Loans from a subsidiary (unsecured):					
– interest free		–	–	486	486
– interest bearing	(b)	–	–	325	325
Liability for employee benefits	19	16	29	1	8
Derivative financial instruments		9	40	–	–
Security deposits and other non-current payables		102	200	–	–
Deferred income		11	11	–	–
		254	392	812	819

(a) Amounts due to associates, joint ventures and non-controlling interests are non-trade and not expected to be repaid within the next twelve months.

(b) As at 31 December 2022, the effective interest rate for the loans from a subsidiary is 2.40% (2021: 2.66%) per annum.

19 EMPLOYEE BENEFITS

	Note	The Group 2022 $'M	The Group 2021 $'M	The Company 2022 $'M	The Company 2021 $'M
Liability for short term accumulating compensated absences		15	15	1	1
Liability for staff incentive	(a)	15	34	–	1
Liability for cash-settled share-based payments		32	48	4	9
		62	97	5	11
Current	15	46	68	4	3
Non-current	18	16	29	1	8
		62	97	5	11

(a) Staff incentive

This relates to staff incentive which is based on the achievement of the Group's financial performance and payable over a period of time.

(b) Equity compensation benefits

1) Share Plans of the CapitaLand Group Pte. Ltd.

The Group's employees participate in the share-based incentive plans of the Company's immediate holding company, CapitaLand Group Pte. Ltd. which comprise the Performance Share Plan (CL PSP) and Restricted Share Plan (CL RSP).

i) CapitaLand Performance Share Plans

This relates to compensation costs of the CL PSP reflecting the benefits accruing to the employees of the Group over the service period to which the performance criteria relate, prior to the listing of the Company.

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

Movements in the Group's number of shares outstanding under CL PSP in 2021 were summarised below:

	2021 ('000)
At 1 January	2,909
Granted	1,436
Released	(395)
Lapsed	(630)
Cancelled and replaced with CLI Share Plans on 1 October 2021	(3,320)
At 31 December	–

19 **EMPLOYEE BENEFITS** (CONTINUED)

(b) **Equity compensation benefits** (continued)

1) ***Share Plans of the CapitaLand Group Pte. Ltd.*** *(continued)*

i) ***CapitaLand Performance Share Plans*** *(continued)*

The fair values of the shares under CapitaLand Performance Share Plans were determined using Monte Carlo simulation method which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory at measurement date. The fair values and assumptions are set out below:

Year of award	**2021**
Weighted average fair value of shares and assumptions	
Weighted average fair value at measurement date	$3.79
Grant date	12 April 2021
Share price at grant date	$3.77
Expected volatility of Company's share price based on 36 months closing share price prior to grant date	24.42%
Average volatility of companies in the peer group based on 36 months prior to grant date	29.63%
Expected dividend yield over the vesting period	2.95% to 4.26%
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.70%
Initial total shareholder return (TSR) performance based on historical TSR performance of the Company and each company in the peer group	27.86%
Average correlation of Company's TSR with those companies in the peer group	57.26%

ii) ***CapitaLand Restricted Share Plans***

This relates to compensation costs of the CL RSP reflecting the benefits accruing to the employees of the Group over the service period to which the performance criteria relate, prior to the listing of the Company.

Following the listing of the Company, the outstanding RSP granted under the CL's RSP 2010 and RSP 2020 were converted to cash-settled awards on 1 October 2021 with an implied value of S$4.102 per CL share. Contingent awards granted under the CL RSP have been finalised at 150% of the baseline awards based on the same implied value. The cash payment will be released in accordance with the original vesting schedule of the respective CL RSP awards.

Due to the modification of the share plan, the incremental fair value granted is included in the measurement of the amount recognised for services received over the period from the grant date until the date when the RSP awards are vested and will be amortised to profit or loss accordingly over the remaining vesting period.

19 **EMPLOYEE BENEFITS** (CONTINUED)

(b) **Equity compensation benefits** (continued)

1) ***Share Plans of the CapitaLand Group Pte. Ltd.*** *(continued)*

ii) ***CapitaLand Restricted Share Plans*** *(continued)*

Movements in the Group's number of shares outstanding under CL RSP were summarised below:

	2022 ('000)	**2021 ('000)**
At 1 January	19,364	10,623
Granted	–	15,488
Released[@]	(9,252)	(5,492)
Lapsed/Cancelled	(709)	(1,255)
At 31 December	9,403^	19,364^

^ Represents CL RSP converted to cash-settled. The cash payment will be released to eligible employees according to the original vesting schedule of respective CL RSP award.

@ The number of shares released during the year was 9,251,531 (2021: 5,492,402) of which 9,251,531 (2021: 1,452,770) were cash-settled.

The fair values of the shares granted to employees were determined using discounted cashflow method at the measurement date. The fair values and assumptions are set out below:

Year of award	**2021**
Weighted average fair value of shares and assumptions	
Weighted average fair value at measurement date	$3.52
Grant date	12 April 2021
Share price at grant date	$3.77
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.42% to 0.72%

2) ***Share Plans of the Company***

The CLI Performance Share Plan 2021 (CLI PSP 2021) and CLI Restricted Share Plan 2021 (CLI RSP 2021) were approved by CapitaLand Group Pte. Ltd. on 17 July 2021. The duration of each share plan is 10 years commencing on 1 September 2021.

The ERCC of the Company has instituted a set of share ownership guidelines for members of senior management who receive shares under the CLI RSP and CLI PSP. Under these guidelines, members of senior management are required to retain a portion of the total number of the Company shares received under the aforementioned share-based plans, which will vary according to their respective job grade and salary.

19 **EMPLOYEE BENEFITS** (CONTINUED)

(b) Equity compensation benefits (continued)

2) Share Plans of the Company *(continued)*

The details of awards in the Company since commencement of the Share Plans were as follows:

	Aggregate shares			
	Granted No. of shares	Released No. of shares	Lapsed/ Cancelled No. of shares	Balance as at 31 December 2022 No. of shares
CLI PSP 2021	44,122,673	(7,648,664)	(921,790)	35,552,219^
CLI RSP 2021	9,048,682	(68,235)	(364,815)	8,615,632#

^ Comprised 29,036,807 (31 December 2021: 31,603,082) shares granted to the employees of the Group and 6,515,412 (31 December 2021: 8,768,187) shares granted to the employees of the related corporations.

\# Comprised 8,610,920 (31 December 2021: nil) shares granted to the employees of the Group and 4,712 (31 December 2021: nil) shares granted to the employees of the related corporations.

The total number of new shares issued and/or to be issued pursuant to the Share Plans of the Company did not exceed 8% of the total number of shares (excluding treasury shares) in the capital of the Company.

i) CLI Performance Share Plans

This relates to compensation costs of the Company's PSP 2021 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Following the listing of the Company, the Company grants share awards pursuant to the CLI Performance Share Plan 2021 (Replacement Awards) to certain employees of the Group and certain designated employees of CapitaLand Group Pte. Ltd. (collectively, Existing CapitaLand PSP Award Holders) in replacement of the awards previously granted to them pursuant to the CL PSP 2010 and the CL PSP 2020 (Existing CapitaLand PSP Awards). The Replacement Awards have been granted on 1 October 2021 and will be released progressively in accordance with the original vesting schedule of the Existing CapitaLand PSP Awards.

Movements in the number of shares outstanding under CLI PSP were summarised below:

	2022 ('000)	2021 ('000)
At 1 January	25,777	–
Granted	3,344	25,777^
Released	(7,649)	–
Lapsed/Cancelled	(578)	–
At 31 December@	20,894	25,777

@ Comprised 16,645,394 (2021: 19,275,824) shares granted to the employees of the Group and 4,248,334 (2021: 6,501,109) shares granted to the employees of the related corporations.

^ All outstanding contingent CL PSP awards granted to the employees were finalised at 200% of the baseline awards and employees will receive in lieu of the Company's shares award under CLI Share Plan in accordance with a conversion ratio and released in accordance with the original vesting schedule.

19 **EMPLOYEE BENEFITS** (CONTINUED)

(b) Equity compensation benefits (continued)

2) Share Plans of the Company *(continued)*

i) CLI Performance Share Plans *(continued)*

The fair values of the shares under the Replacement Awards are determined using discounted cashflow method at the measurement date. The fair values and key assumptions are set out below:

Year of award	2021
Weighted average fair value of shares and assumptions	
Weighted average fair value at measurement date	$2.5803 to $2.7796
Grant date	1 October 2021
Share price at grant date	$2.823
Expected dividend yield over the vesting period	3.54% to 3.90%

The fair values of the shares are determined using Monte Carlo simulation method which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory at measurement date. The fair values and key assumptions are set out below:

Year of award	2022
Weighted average fair value of shares and assumptions	
Weighted average fair value at measurement date	$4.07
Grant date	4 May 2022
Share price at grant date	$4.12
Expected volatility of Company's share price (assuming the average volatility of 780-Day closing unit price from 6 CLI REITs)	26.46%
Expected dividend yield over the vesting period	3.66% to 4.22%
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	1.72% to 2.34%

ii) Special CLI Founders Performance Share Plan Award (Special PSP) – Equity-settled/ Cash-settled

This relates to the compensation costs of the Company's Special PSP granted under CLI PSP 2021 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Pursuant to the CLI PSP, the Special PSP award granted to selected key executives of the Company and/or its group companies is conditional on a performance target based on longer term wealth creation objectives. Participants will receive a specified number of performance shares after the end of the performance period conditional on achievement of performance conditions.

19 EMPLOYEE BENEFITS (CONTINUED)

(b) Equity compensation benefits (continued)

2) *Share Plans of the Company (continued)*

ii) *Special CLI Founders Performance Share Plan Award (Special PSP) – Equity-settled/Cash-settled (continued)*

The ERCC grants an initial number of shares (baseline award) which are conditional on the target of the Company's share price expressed as a multiple of the Group's net asset value per share (Price/NAV) set for a five-year performance period. A specified number of shares will only be released by the ERCC to the recipients at the end of the qualifying performance period, provided the pre-specified minimum target is achieved. No share will be released if the minimum target is not met at the end of the performance period. On the other hand, if the superior target is met, more shares than the baseline award can be delivered up to a maximum of 300% of the baseline award. In the event of early achievement of the targets within the first three years of the performance period, a maximum of 20% to 50% of the baseline award can be released after the third year, with any balance in excess of 50% of the baseline award to be released only after the fifth year. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

A one-time special contingent award was granted to selected key executives in the Company and CL group companies as at 1 October 2021. As a hiring strategy, such one-time special contingent award may (at the absolute discretion of the ERCC) also be extended to key executives joining the Company and/or its group companies on a date after 1 October 2021 but not later than 19 September 2022.

Movements in the number of shares outstanding under Special PSP were summarised below:

	2022 ('000)	2021 ('000)
At 1 January	14,594	–
Granted	407	14,594
Lapsed/Cancelled	(343)	–
At 31 December[@]	14,658	14,594

@ Comprised 12,391,413 (31 December 2021: 12,327,258) shares granted to the employees of the Group and 2,267,078 (31 December 2021: 2,267,078) shares granted to the employees of the related corporations.

As at 31 December 2022, the number of shares granted under the Special PSP award are as follows:

	2022			2021		
	Equity-settled ('000)	Cash-Settled ('000)	Total ('000)	Equity-settled ('000)	Cash-Settled ('000)	Total ('000)
Final number of shares has not been determined (baseline award)^	14,286	372	14,658	14,222	372	14,594

^ Comprised 12,019,472 (31 December 2021: 11,955,317) shares granted to the employees of the Group and 2,267,078 (31 December 2021: 2,267,078) shares granted to the employees of the related corporations which are equity-settled and 371,941 (31 December 2021: 371,941) shares granted to the employees of the Group which are cash-settled.

Notes to the Financial Statements

19 EMPLOYEE BENEFITS (CONTINUED)

(b) Equity compensation benefits (continued)

2) *Share Plans of the Company (continued)*

ii) *Special CLI Founders Performance Share Plan Award (Special PSP) – Equity-settled/Cash-settled (continued)*

The fair values of the shares are determined using Monte Carlo simulation method which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory at measurement date. The fair values and assumptions are set out below:

Year of award	2022	2021
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	\$3.52 to \$3.90	\$2.00 to \$2.24
Grant date	4 January 2022, 4 May 2022 and 1 June 2022	1 October 2021 and 1 November 2021
Share price at grant date	\$3.66 to \$4.12	\$3.34 to \$3.46
Expected volatility of Company's share price (assuming the average volatility of 1040-Day/780-Day closing unit price from 6 CLI REITs)	24.67% to 26.46%	26.41% to 26.43%
Expected dividend yield over the vesting period	3.61% to 4.22%	3.66% to 3.71%
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	1.11% to 2.51%	0.86% to 1.32%
Net asset value per share	\$2.82 to \$3.99	\$2.82 to \$3.99

iii) *CLI Restricted Share Plans – Equity-settled/Cash-settled*

This relates to compensation costs of the Company's RSP 2021 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Movements in the number of shares outstanding under CLI RSP were summarised below:

	2022 ('000)	2021 ('000)
At 1 January	–	–
Granted	9,049	–
Released	(68)	–
Lapsed/Cancelled	(365)	–
At 31 December[@]	8,616	–

@ Comprised 8,610,920 (31 December 2021: nil) shares granted to the employees of the Group and 4,712 (31 December 2021: nil) shares granted to the employees of the related corporations.

19 **EMPLOYEE BENEFITS** (CONTINUED)

(b) **Equity compensation benefits** (continued)

2) ***Share Plans of the Company*** *(continued)*

iii) ***CLI Restricted Share Plans – Equity-settled/Cash-settled*** *(continued)*

The fair values of the shares granted to employees are determined using discounted cashflow method at the measurement date. The fair values and assumptions are set out below:

Year of award	**2022**
Weighted average fair value of shares and assumptions	
Weighted average fair value at measurement date	$3.84
Grant date	4 May 2022
Share price at grant date	$4.12
Expected volatility of Company's share price (assuming the average volatility of 780-Day closing unit price from 6 CLI REITs)	26.46%
Expected dividend yield over the vesting period	3.94%
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	1.72% to 2.34%

As at 31 December 2022, the number of shares granted are as follows:

	2022			**2021**		
	Equity-settled ('000)	**Cash-Settled ('000)**	**Total ('000)**	**Equity-settled ('000)**	**Cash-Settled ('000)**	**Total ('000)**
Final number of shares has not been determined (baseline award)	6,951	1,665	8,616	–	–	–

20 **SHARE CAPITAL**

	2022 No. of shares ('000)	**2021 No. of shares ('000)**
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 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).

20 **SHARE CAPITAL** (CONTINUED)

Capital management (continued)

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

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

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

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

The Group's subsidiaries in The People's Republic of China (PRC) and India are subject to foreign exchange rules and regulations promulgated by the PRC and India government which may impact how the Group manages capital. In addition, seven of the Group's subsidiaries (2021: seven) are required to maintain certain minimum base capital and financial resources, or shareholders' funds as they are holders of Capital Markets Services licenses registered with the Monetary Authority of Singapore or the Securities Commission Malaysia to conduct the regulated activity of Real Estate Investment Trust management. In addition, the consolidated REITs are subject to the aggregate leverage limit as defined in the Property Funds Appendix of the Code of Investment Scheme. These subsidiaries have complied with the applicable capital requirements throughout the year.

There were no changes in the Group's approach to capital management during the year.

21 **OTHER RESERVES**

	The Group		**The Company**	
	2022 $'M	**2021 $'M**	**2022 $'M**	**2021 $'M**
Reserve for own shares	(315)	(208)	(315)	(208)
Equity compensation reserve	50	24	22	16
Capital reserve	(4,809)	(4,794)	3	3
Hedging reserve	127	(16)	–	–
Fair value reserve	27	36	–	–
Asset revaluation reserve	6	6	–	–
Foreign currency translation reserve	(980)	71	–	–
	(5,894)	(4,881)	(290)	(189)

Reserve for own shares comprises the purchase consideration for issued shares of the Company acquired and held as treasury shares.

The equity compensation reserve comprises the cumulative value of employee services received for shares under the share plans of the Company (note 19 (b)).

Notes to the Financial Statements

21 OTHER RESERVES (CONTINUED)

The capital reserve comprises mainly the reserves set aside by certain subsidiaries in compliance with the relevant regulations in the People's Republic of China, the Group's share of associates' and joint ventures' capital reserve and reserves on consolidation amounting to -$5,598 million (2021: -$5,590 million) which represents the difference between the consideration paid for the acquisition of interest in entities under common control as part of the internal restructuring of the Group in 2021 and the share capital of the acquirees.

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedge transactions that have not yet affected profit or loss.

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI.

The asset revaluation reserve comprises the revaluation gain on a plant, property and equipment which was reclassified to investment properties.

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities, the effective portion of the hedging instrument which is used to hedge against the Group's net investment in foreign currencies as well as from the translation of foreign currency loans used to hedge or form part of the Group's net investments in foreign entities. The Group's foreign currency translation reserve arises mainly from Chinese Renminbi, US Dollar, Indian Rupee, Australian Dollar and Malaysian Ringgit.

22 PERPETUAL SECURITIES

The Group's perpetual securities comprise perpetual securities and perpetual notes issued by its subsidiary, CLAS ("the Issuer"). The perpetual securities comprise:

Perpetual securities	Issue date	Principal amount $'M
CLAS		
– Fixed rate perpetual securities with an initial distribution rate of 4.68% per annum	30 June 2015	250
– Fixed rate perpetual securities with an initial distribution rate of 3.88% per annum	4 September 2019	150

The perpetual securities have no fixed redemption date and redemption is at the option of the issuer in accordance with the terms of issue of the securities. The distribution will be payable semi-annually at the discretion of the issuer and will be non-cumulative. These perpetual securities rank *pari passu* with the holders of preferred units (if any) and rank ahead of the stapled security holders of the CLAS, but junior to the claims of all other present and future creditors of the CLAS.

As the perpetual securities have no fixed maturity date and the payment of distributions is at the discretion of the Issuer, the Issuer is considered to have no contractual obligations to repay the principal or to pay any distributions, and the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Disclosure and Presentation*, they are presented within equity, and distributions are treated as dividends.

23 OTHER COMPREHENSIVE INCOME

The Group's items of other comprehensive income do not have any related tax effect.

24 REVENUE

Revenue of the Group is analysed as follows:

	The Group 2022 $'M	The Group 2021 $'M
Revenue from contracts with customers	845	826
Rental of investment properties:		
– Retail, office, business park, industrial and logistics rental and related income	525	568
– Lodging properties rental and related income	1,495	885
Others	11	14
	2,876	2,293

Disaggregation of revenue from contracts with customers:

	The Group 2022 $'M	The Group 2021 $'M
Primary segment		
Fee income		
– Fee income-related business	776	742
– Real estate investment business	41	15
– Corporate and others	19	60
	836	817
Development properties for sale		
– Real estate investment business	9	9
	845	826
Secondary segment		
Singapore	496	485
China[1]	183	207
Other developed markets	98	82
Other emerging markets	68	52
	845	826

1 includes Hong Kong

	The Group 2022 $'M	The Group 2021 $'M
Timing of revenue recognition		
Product transferred at a point in time	48	66
Products and services transferred over time	797	760
	845	826

Notes to the Financial Statements

25 PROFIT BEFORE TAX

Profit before tax includes the following:

	Note	The Group 2022 $'M	The Group 2021 $'M
(a) Other operating income			
Interest income from:			
– deposits and notes		47	20
– related corporations		–	5
– associates and joint ventures		4	1
– investee companies and others		2	3
		53	29
Distribution income		35	5
Foreign exchange gain		–	15
Gain on disposal of equity investment designated as fair value through profit or loss		–	24
Gain from change of ownership interests in subsidiaries, associates and joint ventures		210	131
Mark-to-market gain on derivative instruments		34	–
Gain on disposal of investment properties		14	205
Net fair value gain from investment properties	5	250	255
Net writeback of impairment loss on non-trade receivables – related corporations		–	87
Other income from pre-termination of contracts and income support		6	20
Forfeiture of security deposits		2	12
Government grants	(i)	4	23
Others		57	82
		665	888

(i) The grants relate to the Job Support Scheme or equivalents in Singapore, Australia and Europe and property tax rebates extended by the Singapore government.

	The Group 2022 $'M	The Group 2021 $'M
(b) Staff costs		
Wages and salaries	594	573
Contributions to defined contribution plans	69	59
Share-based expenses:		
– equity-settled	47	36
– cash-settled	21	22
Increase in liability for short term accumulating compensated absences	1	4
Staff benefits, training/development costs and others	68	57
	800	751
Less:		
Staff costs capitalised in development properties for sale	–	(2)
	800	749
Recognised in:		
Cost of sales	597	555
Administrative expenses	203	194
	800	749

25 PROFIT BEFORE TAX (CONTINUED)

	Note	The Group 2022 $'M	The Group 2021 $'M
(c)(i) Cost of sales include:			
Operating expenses of investment properties that generated rental income		602	499
Lease expenses (short-term lease)		362	197
Lease expenses (variable lease payments not included in the measurement of lease liabilities)		12	3
(c)(ii) Administrative expenses include:			
Net allowance for impairment loss on trade receivables		13	18
Amortisation of intangible assets	4	15	27
Auditors' remuneration:			
– auditors of the Company		3	2
– other auditors		7	5
Non-audit fees:			
– auditors of the Company		*	1
– other auditors		2	2
Depreciation of property, plant and equipment	3	64	70
Depreciation of right-of-use assets	3	67	63
(Write back) / Accrual of listing and restructuring expenses		(23)	186
(c)(iii) Other operating expenses include:			
Allowance for impairment loss on non-trade receivables		12	6
Foreign exchange loss		132	–
Loss on disposal and write off of property, plant and equipment		2	3
Impairment of intangible assets	4	–	15
Net change in fair value of financial assets designated as fair value through profit or loss		21	18
(d) Finance costs			
Interest costs paid and payable:			
– on bank loans and overdrafts		356	147
– on debt securities		49	41
– related corporations		–	108
Lease liabilities		30	29
Others		7	33
Total finance costs		442	358
Less:			
Borrowing costs capitalised in investment properties		(10)	(5)
		432	353

* Less than $1 million

26 TAX EXPENSE

	The Group	
	2022 $'M	2021 $'M
Current tax expense		
– Based on current year's results	201	256
– (Over)/Under provision in respect of prior years	(9)	32
– Group relief	(2)	(1)
	190	287
Deferred tax expense		
– Origination and reversal of temporary differences	89	60
– Under/(Over) provision in respect of prior years	4	(7)
	93	53
Land appreciation tax		
– Current year	1	–
– Under/(Over) provision in respect of prior years	–	(1)
	1	(1)
Withholding tax		
– Current year	25	64
– Under/(Over) provision in respect of prior years	9	(7)
	34	57
	318	396

Reconciliation of effective tax rate

	2022 $'M	2021 $'M
Profit before tax	1,388	1,956
Less: Share of results of associates and joint ventures	531	1,218
Profit before share of results of associates and joint ventures and tax	857	738
Income tax using Singapore tax rate of 17% (2021: 17%)	146	125
Adjustments:		
Expenses not deductible for tax purposes	172	293
Income not subject to tax	(147)	(205)
Effect of unrecognised tax losses and other deductible temporary differences	30	45
Effect of different tax rates in foreign jurisdictions	64	21
Effect of taxable distributions from REITs	30	43
Land appreciation tax	1	(1)
Withholding taxes	25	64
Under provision in respect of prior years	4	18
Group relief	(2)	(1)
Others	(5)	(6)
	318	396

In June 2021, the Group's subsidiary, CMMT Investments Limited (CMMTIL), was notified by the Inland Revenue Board of Malaysia (Tax Authority) that it had completed a tax audit review on CMMTIL, and found that certain interest payments made to CMMTIL's holding company outside of the relevant jurisdiction for the years of assessment 2011 to 2018 were subject to withholding tax and/or not permitted as expenses for tax deductions and that accordingly, CMMTIL was assessed to pay additional taxes and penalties amounting to approximately $40 million in total (Tax Claim). In this regard, the Tax Authority has issued notices of additional assessment for the Tax Claim.

Notes to the Financial Statements

26 TAX EXPENSE (CONTINUED)

CMMTIL has obtained a legal opinion from its tax and legal advisers in the relevant jurisdiction, that (a) CMMTIL should fall within an exemption order under the relevant taxation law applicable to it, which would exempt it from paying any withholding tax for the said years of assessment and that, accordingly, the subsidiary should not be denied a deduction on the interest expense incurred; and (b) as the income tax legislation in the relevant jurisdiction provides that the Tax Authority may make an assessment or additional assessment only within the preceding five years, any assessment with respect to the years of assessment 2015 and prior years would be time-barred. CMMTIL has filed an application for a judicial review and a stay order with respect to the Tax Claim.

In August 2021, CMMTIL has made a partial payment of approximately $1.4 million to the Tax Authority under an approved instalment plan. On 7 September 2021, the High Court granted CMMTIL leave for substantive judicial review at High Court, which includes a stay so that the disputed taxes need not be paid until the outcome of the judicial review. CMMTIL is in the midst of preparing for the judicial review, while seeking an amicable settlement solution with Tax Authority.

Global minimum tax

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework, followed by detailed guidance released in March 2022, that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws. Once changes to the tax laws in any jurisdiction in which the Group operates are enacted or substantively enacted, the Group may be liable to the top-up tax. As at 31 December 2022, the Group does not have subsidiaries which have significant operation in the country where the statutory tax rate is less than 15%.

As at 31 December 2022, none of the jurisdictions in which the Group operates had enacted or substantively enacted the tax legislation related to the top-up tax. Management is closely monitoring the progress of the legislative process in each jurisdiction the Group operates in. As at 31 December 2022, the Group did not have sufficient information to determine the potential quantitative impact.

27 EARNINGS PER SHARE

(a) Basic earnings per share

	The Group	
	2022 $'M	2021 $'M
Basic earnings per share is based on:		
Net profit attributable to owners of the Company	861	1,349
	2022 No. of shares ('000)	2021 No. of shares ('000)
Weighted average number of ordinary shares in issue during the year	5,129,261	3,517,372

27 **EARNINGS PER SHARE** (CONTINUED)

(b) Diluted earnings per share

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

	The Group 2022 $'M	The Group 2021 $'M
Diluted earnings per share is based on:		
Net profit attributable to owners of the Company	861	1,349

	2022 No. of shares ('000)	2021 No. of shares ('000)
Weighted average number of ordinary shares in issue during the year	5,129,261	3,517,372
Adjustments for potential dilutive ordinary shares under:		
– CLI Performance Share Plan	67,058	68,444
– CLI Restricted Share Plan	11,262	–
	78,320	68,444
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	5,207,581	3,585,816

The weighted average number of shares as at 31 December 2021 is based on the weighted average number of ordinary shares outstanding during the year, including the estimated shares issued to effect the acquisition of interests in common control entities pursuant to the internal restructuring of the Group on the basis that the internal restructuring has been effected before the start of the earliest period presented or the dates of incorporation of common control entities, or the dates when common control is established, whichever is later.

Basic earnings per share computed based on the outstanding issued shares as at 31 December 2021 of 5,141 million was 26.2 cents.

28 **DIVIDENDS**

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

(a) 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 CLAS that the Group holds on the basis of 0.057 unit per ordinary share valued at 5.9 cents per share (Proposed Distribution) based on CLAS's share price at market close on 22 February 2023.

The tax-exempt dividend and Proposed Distribution are subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. The actual dividend payment can only be determined on book closure date.

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

29 **ACQUISITION/DISPOSAL OF SUBSIDIARIES, NET OF CASH ACQUIRED/DISPOSED OF**

(a) Acquisition of subsidiaries

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

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

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

The acquisitions in 2022 were accounted for as acquisition of assets except for Oakwood which was accounted for as a business combination (note 30). The acquisitions in 2021 were accounted for as acquisition of assets.

(b) Effects of acquisitions

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

The Group	Note	2022 $'M	2021 $'M
Intangible assets	4	8	–
Investment properties	5	220	1,118
Associates		–	1,383
Joint ventures		–	259
Other non-current assets		*	1,203
Trade and other receivables		22	722
Cash and cash equivalents		13	234
Trade and other payables		(35)	(592)
Other current liabilities		*	(331)
Borrowings and debt securities		(4)	(1,401)
Deferred tax liabilities		–	(24)
Other non-current liabilities		(2)	(38)
		222	2,533
Amounts previously accounted for as associates and joint venture, remeasured at fair value		–	(755)
Net assets acquired		222	1,778
Goodwill arising from acquisition	4	49	–
Gain on change of ownership interests in joint ventures		–	(9)
Realisation of reserves previously accounted for as associates and a joint venture		–	84
Total purchase consideration		271	1,853
Deferred purchase consideration and other adjustments		(55)	(229)
Deferred purchase consideration paid in relation to prior year's acquisition of subsidiaries		39	–
Cash of subsidiaries acquired		(13)	(234)
Cash outflow on acquisition of subsidiaries		242	1,390

* Less than $1 million

Notes to the Financial Statements

29 ACQUISITION/DISPOSAL OF SUBSIDIARIES, NET OF CASH ACQUIRED/DISPOSED OF (CONTINUED)

(b) Effects of acquisitions (continued)

Acquisition-related costs

Acquisition-related costs of $3 million (2021: $3 million) relating to stamp duties and legal, due diligence, tax advisory and financial advisory service fees were included in the administrative expenses and cost of investment properties respectively.

(c) Disposal of subsidiaries

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

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

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

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

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

(d) Effects of disposals

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

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

* Less than $1 million

30 BUSINESS COMBINATIONS

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

2022

Acquisition of Oakwood Worldwide (Asia) Pte. Ltd.

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

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

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	15
Goodwill on acquisition	49
Total purchase consideration	64
Less: cash and cash equivalents in subsidiary acquired	(12)
Net cash outflow on acquisition	52

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

30 BUSINESS COMBINATIONS (CONTINUED)

Measurement of fair value

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

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

31 FAIR VALUE OF ASSETS AND LIABILITIES

(a) Determination of fair value

The valuation methods and assumptions below are used to estimate the fair values of the Group's significant classes of assets and liabilities.

(i) Derivatives

Forward currency contracts, cross currency swap contracts and interest rate swap contracts are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rate, interest rate curves and forward rate curves.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted using the market rate of interest at the reporting date.

Fair value of quoted debt securities is determined based on quoted market prices.

(iii) Other financial assets and liabilities

The fair value of quoted securities is their quoted bid price at the reporting date. The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Where other valuation techniques, such as discounted cash flow technique are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument.

31 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(a) Determination of fair value (continued)

(iv) Investment properties

The Group's investment property portfolio is mostly valued by external and independent valuation companies on an annual basis. Independent valuation is also carried out on occurrence of acquisition of investment property. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. The valuers have considered valuation techniques, mainly including capitalisation approach, discounted cash flows and residual method in arriving at the open market value as at the reporting date. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation rate, terminal yield rate and discount rate, estimated cost to completion and gross development value.

(v) Assets held for sale

The fair value of the Group's investment properties held for sale is either valued by an independent valuer or based on the agreed contractual selling price on a willing buyer willing seller basis. For investment properties held for sale valued by an independent valuer, the valuer has considered the discounted cash flow and income capitalisation approaches in arriving at the open market value as at the reporting date. In determining the fair value, the valuer used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties held for sale include market-corroborated capitalisation rate.

(vi) Share-based payment transactions

The fair values of employee performance share plan and restricted share plan are measured using valuation methodology described in note 19. Measurement inputs include the share price at grant date, expected volatility, expected correlation of the Group's return with those of peer group, expected dividends yield and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair values.

(b) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used. The different levels have been defined as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 **FAIR VALUE OF ASSETS AND LIABILITIES** (CONTINUED)

(c) **Accounting classification and fair values**

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

	Note	Carrying amount: Fair value – hedging instruments $'M	Carrying amount: FVOCI $'M	Carrying amount: FVTPL $'M	Carrying amount: Amortised Cost $'M	Carrying amount: Total $'M	Fair value: Level 1 $'M	Fair value: Level 2 $'M	Fair value: Level 3 $'M	Fair value: Total $'M
The Group										
31 December 2022										
Financial assets measured at fair value										
Equity investments at FVOCI	10(a)	–	67	–	–	67	55	12	–	67
Equity investments at FVTPL	10(a)	–	–	114	–	114	3	–	111	114
Derivative financial assets:										
– Interest rate swaps, forward foreign exchange contracts and cross currency swaps	10(a)	114	–	–	–	114	–	114	–	114
– Interest rate swaps and cross currency swaps	10(b)	70	–	–	–	70	–	70	–	70
		184	67	114	–	365				
Financial assets not measured at fair value										
Other non-current assets		–	–	–	30	30				
Loans due from associates	7	–	–	–	87	87				
Loans due from joint ventures	8(a)	–	–	–	393	393				
Trade and other receivables	12	–	–	–	970	970				
Cash and cash equivalents	14	–	–	–	2,668	2,668				
		–	–	–	4,148	4,148				

31 **FAIR VALUE OF ASSETS AND LIABILITIES** (CONTINUED)

(c) **Accounting classification and fair values** (continued)

	Note	Carrying amount: Fair value – hedging instruments $'M	Carrying amount: FVOCI $'M	Carrying amount: FVTPL $'M	Carrying amount: Amortised Cost $'M	Carrying amount: Total $'M	Fair value: Level 1 $'M	Fair value: Level 2 $'M	Fair value: Level 3 $'M	Fair value: Total $'M
The Group										
31 December 2022										
Financial liabilities measured at fair value										
Derivative financial instruments:										
– Interest rate swaps, forward foreign exchange contracts and cross currency swaps	15	(4)	–	–	–	(4)	–	(4)	–	(4)
– Interest rate swaps, forward foreign exchange contracts and cross currency swaps	18	(9)	–	–	–	(9)	–	(9)	–	(9)
		(13)	–	–	–	(13)				
Financial liabilities not measured at fair value										
Other non-current liabilities#		–	–	–	(218)	(218)	–	–	(211)	(211)
Bank borrowings^	16	–	–	–	(10,429)	(10,429)	–	(10,391)	–	(10,391)
Debt securities	17	–	–	–	(1,502)	(1,502)	–	(1,481)	–	(1,481)
Trade and other payables#		–	–	–	(1,971)	(1,971)				
		–	–	–	(14,120)	(14,120)				

Excludes advanced billings, advanced payments received, liability for employee benefits, derivative liabilities and deferred income.
^ Excludes lease liability.

31 **FAIR VALUE OF ASSETS AND LIABILITIES** (CONTINUED)

(c) **Accounting classification and fair values** (continued)

	Note	Carrying amount: Fair value – hedging instruments $'M	FVOCI $'M	FVTPL $'M	Amortised Cost $'M	Total $'M	Fair value: 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	10(a)	–	60	–	–	60	60	–	–	60
Equity investments at FVTPL	10(a)	–	–	107	–	107	3	–	104	107
Derivative financial assets:										
– Interest rate swaps and cross currency swaps	10(a)	22	–	–	–	22	–	22	–	22
– Interest rate swaps, forward foreign exchange contracts and cross currency swaps	10(b)	14	–	–	–	14	–	14	–	14
		36	60	107	–	203				
Financial assets not measured at fair value										
Other non-current assets		–	–	–	19	19				
Loans due from associates	7	–	–	–	4	4				
Loans due from joint ventures	8(a)	–	–	–	422	422				
Trade and other receivables	12	–	–	–	1,610	1,610				
Cash and cash equivalents	14	–	–	–	3,877	3,877				
		–	–	–	5,932	5,932				

31 **FAIR VALUE OF ASSETS AND LIABILITIES** (CONTINUED)

(c) **Accounting classification and fair values** (continued)

	Note	Carrying amount: Fair value – hedging instruments $'M	FVOCI $'M	FVTPL $'M	Amortised Cost $'M	Total $'M	Fair value: 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:										
– Interest rate swaps and forward foreign exchange contracts	15	(19)	–	–	–	(19)	–	(19)	–	(19)
– Interest rate swaps	18	(40)	–	–	–	(40)	–	(40)	–	(40)
		(59)	–	–	–	(59)				
Financial liabilities not measured at fair value										
Other non-current liabilities#		–	–	–	(312)	(312)	–	–	(293)	(293)
Bank borrowings^	16	–	–	–	(11,598)	(11,598)	–	(11,583)	–	(11,583)
Debt securities	17	–	–	–	(1,179)	(1,179)	–	(1,180)	–	(1,180)
Trade and other payables#		–	–	–	(2,041)	(2,041)				
		–	–	–	(15,130)	(15,130)				

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

31 **FAIR VALUE OF ASSETS AND LIABILITIES** (CONTINUED)

(c) **Accounting classification and fair values** (continued)

	Note	Carrying amount: Fair value – hedging instruments $'M	Carrying amount: FVOCI $'M	Carrying amount: FVTPL $'M	Carrying amount: Amortised Cost $'M	Carrying amount: Total $'M	Fair value: Level 1 $'M	Fair value: Level 2 $'M	Fair value: Level 3 $'M	Fair value: Total $'M
The Company										
31 December 2022										
Financial assets not measured at fair value										
Other non-current assets		–	–	–	4,295	4,295				
Trade and other receivables	12	–	–	–	698	698				
Cash and cash equivalents	14	–	–	–	22	22				
		–	–	–	5,015	5,015				
Financial liabilities not measured at fair value										
Other non-current liabilities#		–	–	–	811	811				
Trade and other payables#		–	–	–	217	217				
		–	–	–	1,028	1,028				
31 December 2021										
Financial assets not measured at fair value										
Other non-current assets		–	–	–	4,481	4,481				
Trade and other receivables	12	–	–	–	243	243				
Cash and cash equivalents	14	–	–	–	362	362				
		–	–	–	5,086	5,086				
Financial liabilities not measured at fair value										
Other non-current liabilities#		–	–	–	811	811				
Trade and other payables#		–	–	–	266	266				
		–	–	–	1,077	1,077				

\# Excludes liability for employee benefits.

31 **FAIR VALUE OF ASSETS AND LIABILITIES** (CONTINUED)

(c) **Accounting classification and fair values** (continued)

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

	Note	Fair value Level 3 $'M
The Group		
31 December 2022		
Non-financial assets measured at fair value		
Investment properties	5	14,706
Assets held for sale – investment properties	13	352
		15,058
31 December 2021		
Non-financial assets measured at fair value		
Investment properties	5	16,249
Assets held for sale – investment properties	13	2
		16,251

(d) **Level 3 fair value measurements**

(i) *Reconciliation of Level 3 fair value*

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

	Equity investments at FVTPL $'M	Assets held for sale – investment properties $'M
The Group		
2022		
At 1 January 2022	104	2
Additions	31	351
Disposals	–	(1)
Changes in fair value recognised in profit or loss	(20)	–
Translation differences	(4)	–
At 31 December 2022	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

Movements for investment properties are set out in note 5.

31 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(c) Accounting classification and fair values (continued)

(ii) Valuation techniques and significant unobservable inputs

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

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

Valuation methods	Key unobservable inputs	Shopping mall	Office	Integrated development	Business park, industrial and logistics	Lodging	Inter-relationship between key unobservable inputs and fair value measurement
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%	

31 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(c) Accounting classification and fair values (continued)

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

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

31 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(c) Accounting classification and fair values (continued)

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

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

(iii) Valuation processes applied by the Group

The significant non-financial asset of the Group categorised within Level 3 of the fair value hierarchy is investment properties. The fair values of investment properties are determined by external, independent property valuers, who have the appropriate and recognised professional qualifications and recent experience in the location and category of property being valued. The property valuers provide the fair values of the Group's investment property portfolio annually. The valuation and its financial impact are discussed with the management in accordance with the Group's reporting policies.

32 FINANCIAL RISK MANAGEMENT

(a) Financial risk management objectives and policies

The Group is exposed to market risk (including interest rate, foreign currency and price risks), credit risk and liquidity risk arising from its business. The Group's risk management approach seeks to minimise the potential material adverse effects from these exposures. The Group uses financial instruments such as interest rate swaps, interest rate forwards and cross currency swaps as well as foreign currency borrowings to hedge certain financial risk exposures.

The management has overall responsibility for the compliance and oversight of the Group's risk management framework which was based on CapitaLand Group's risk management framework. The Group has established the Risk Committee to strengthen its risk management processes and framework. The Risk Committee is assisted by an independent unit called the CapitaLand Group Risk Management ("GRM"), which generates an Integrated Risk Report on a regular basis that aims to report and update the Risk Committee of the Group's risk profile.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will have on the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

The Group's exposure to market risk for changes in interest rate environment relates mainly to its investment in financial products and debt obligations.

The investments in financial products are short term in nature and they are not held for trading or speculative purposes. The financial products mainly comprise fixed deposits which yield better returns than cash at bank.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group strives to ensure that between 60% and 70% of its interest rate risk exposure is at a fixed rate. To minimise its exposure to interest rate volatility, the Group uses hedging instruments such as interest rate swaps and classifies these interest rate swaps as cash flow hedge. The Group also actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. The Group uses hedging instruments such as interest rate swaps and forwards to minimise its exposure to interest rate volatility and classifies these interest rate swaps as cash flow hedge.

As at 31 December 2022, the Group has interest rate swaps classified as cash flow hedges with notional contractual amount of $4,289 million (2021: $5,126 million) and for which the Group pays fixed interest rates and receives variable rates equal to the Singapore swap offer rates (SOR), Singapore Overnight Rate Average (SORA), USD Secured Overnight Financing Rate (SOFR), USD London interbank offered rates (LIBOR), Tokyo Overnight Average Rate (TONA), Australia bank bill swap bid rates (BBSY), Euro short term rate (ESTER) and Sterling Overnight Index Average (SONIA) on the notional amount.

As at 31 December 2022, the Group has cross currency swaps and forward exchange contracts classified as cash flow hedges with notional contractual amount of $256 million (2021: $262 million) and for which the Group pays fixed interest rates and receives variable rates equal to the swap rates for US Dollars and Singapore Dollars on the notional amount.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the critical terms method. When all critical terms match, the economic relationship is considered 100% effective.

Hedge ineffectiveness may occur due to changes in the critical terms of either the interest rate swaps or borrowings. Hedging relationships that are impacted by interest rate benchmark reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding interest rate benchmark reform transition.

The net carrying amount of interest rate swaps as at 31 December 2022 was $114 million (2021: $54 million) comprising derivative assets of $114 million (2021: $5 million) and derivative liabilities of nil (2021: $59 million).

32 **FINANCIAL RISK MANAGEMENT** (CONTINUED)

(b) Market risk (continued)

(i) Interest rate risk (continued)

Sensitivity analysis

For variable rate financial liabilities, it is estimated that an increase of 100 basis point in interest rate at the reporting date would lead to a reduction in the Group's profit before tax (and revenue reserve) by approximately $47 million (2021: $47 million). A decrease in 100 basis point in interest rate would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant, and has not taken into account the effects of qualifying borrowing costs allowed for capitalisation, the associated tax effects and share of non-controlling interests.

Managing interest rate benchmark reform and associated risk

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The Group's main IBOR exposure as at 31 December 2022 was indexed to SGD SOR and USD LIBOR. These benchmark rates will lose representativeness or discontinue and be replaced with alternative interest rates benchmarks in various countries from 1 January 2022 to 1 July 2023. As at 31 December 2021, the exposure was indexed to SGD SOR, USD LIBOR, GBP LIBOR and JPY LIBOR.

Management monitors and manages the transition to alternative risk-free rates. Management evaluates whether the contracts which are referenced to IBORs will need to be amended as a result of IBOR reform and how to manage such communication with the counterparties.

Non-derivative financial liabilities

The Group's IBOR exposures to non-derivative financial liabilities as at 31 December 2022 included secured and unsecured bank loans indexed to SGD SOR and USD LIBOR. The Group is in communication with the counterparties to progressively transition non-derivative financial liabilities which are indexed to the affected interest rate benchmarks to alternative risk-free rates.

Derivatives

The Group holds interest rates swaps for risk management purposes that are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to SGD SOR and USD LIBOR. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements. The Group has generally adhered to the ISDA 2020 IBOR Fallbacks Protocol to include new fallback clauses with the derivatives counterparties.

Hedge accounting

The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by IBOR reform as at 31 December 2022. The Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rates which are SGD SOR and USD LIBOR. These benchmark rates are quoted each business day and the IBOR cash flows are exchanged with its counterparties as usual.

The Group's SGD SOR and USD LIBOR cash flow hedging relationships extend beyond the anticipated cessation dates for the respective rates. The Group continues to apply the amendments to SFRS(I) 9 issued in December 2020 (Phase 1) to those hedging relationships directly affected by IBOR reform.

Notes to the Financial Statements

32 **FINANCIAL RISK MANAGEMENT** (CONTINUED)

(b) Market risk (continued)

(i) Interest rate risk (continued)

Hedge accounting (continued)

The Group monitors the progress of transition from IBOR to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to alternative benchmark rate and the amount of such contracts that have include appropriate fallback clauses. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to IBOR reform, even if it includes fallback clauses that deals with the cessation of the existing IBOR.

The following table contains details of all the financial instruments that the Group holds as at 31 December 2022 which are referenced to SGD SOR and USD LIBOR and have not transitioned to the new benchmark rates (31 December 2021: referenced to SGD SOR, USD LIBOR, GBP LIBOR and JPY LIBOR).

	SGD SOR Carrying amount $'M	USD LIBOR Carrying amount $'M	GBP LIBOR Carrying amount $'M	JPY LIBOR Carrying amount $'M
The Group				
31 December 2022				
Borrowings	1,747	892	–	–
Derivative assets – interest rate swaps	(19)	(22)	–	–
Total	1,728	870	–	–
31 December 2021				
Borrowings	2,453	2,344	39	164
Derivative liabilities – interest rate swaps	4	48	*	*
Derivative assets – cross currency swaps	(9)	(4)	–	–
Total	2,448	2,388	39	164

* Less than $1 million

As at 31 December 2022, $165 million (2021: $1,977 million) of these financial instruments are expected to mature before the existing benchmark rates discontinue or are replaced with the new benchmark rates.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

(ii) Foreign currency risk

The Group operates internationally and is exposed to various currencies, including Chinese Renminbi, Euro, Sterling Pound, Japanese Yen, Malaysian Ringgit, Australian Dollars and US Dollars.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which its property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

As at reporting date, the Group uses certain foreign currency denominated borrowings, which include bank loans and medium term notes, cross currency interest rate swaps to hedge against the currency risk arising from the Group's net investment in certain subsidiaries in United States of America, Europe, Australia and Japan. The carrying amount of these Euro, Sterling Pound, Australian Dollars and Japanese Yen denominated borrowings as at 31 December 2022 was $593 million (2021: $721 million).

The Group uses forward exchange contracts or foreign currency loans to hedge its foreign currency risk, where feasible. It generally enters into forward exchange contracts with maturities ranging between three months and one year which are rolled over at market rates at maturity or foreign currency loans which match the Group's highly probable transactions and investment in the foreign subsidiaries. The Group also enters into cross currency swaps to hedge the foreign exchange risk of its loans denominated in a foreign currency. The foreign exchange forwards and currency swaps are denominated in the same currency as the highly probable transactions, therefore the economic relationship is 100% effective.

Hedge ineffectiveness may occur due to:

- Changes in timing of the forecasted transaction from what was originally planned; and
- Changes in the credit risk of the derivative counterparty or the Group.

The net carrying amount of the forward exchange and cross currency swap contracts as at 31 December 2022 was net assets of $57 million (2021: $31 million), comprising derivative assets of $70 million (2021: $31 million) and derivative liabilities of $13 million (2021: nil).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

(iii) Foreign currency risk

The Group's exposure to major foreign currencies was as follows:

	Singapore Dollars $'M	US Dollars $'M	Australian Dollars $'M	Chinese Renminbi $'M	Japanese Yen $'M	Euro $'M	British Pound $'M	Malaysian Ringgit $'M
The Group								
31 December 2022								
Equity securities	129	22	–	–	11	19	–	–
Trade and other receivables	376	146	200	389	201	295	356	29
Cash and cash equivalents	1,215	184	94	630	179	121	63	70
Bank borrowings and debt securities	(6,168)	(2,685)	(504)	(924)	(937)	(323)	(407)	(499)
Trade and other payables	(750)	(210)	(70)	(867)	(62)	(86)	(23)	(64)
Gross currency exposure	(5,198)	(2,543)	(280)	(772)	(608)	26	(11)	(464)
Add: Net financial liabilities denominated in the respective entities' functional currencies	4,926	2,015	346	904	414	211	106	583
Add: Bank borrowings and debt securities designated for net investment hedge	–	–	69	–	283	206	35	–
Add: Cross currency swaps/foreign exchange forward contracts	–	70	–	–	–	(173)	–	–
Net currency exposure	272	(458)	135	132	89	270	130	119
31 December 2021								
Equity securities	89	40	–	–	12	26	–	–
Trade and other receivables	711	767	222	203	191	195	154	31
Cash and cash equivalents	2,102	308	58	810	320	84	44	59
Bank borrowings and debt securities	(5,904)	(3,275)	(563)	(1,053)	(870)	(405)	(461)	(690)
Trade and other payables	(1,096)	(388)	(100)	(350)	(54)	(99)	(19)	(159)
Gross currency exposure	(4,098)	(2,548)	(383)	(390)	(401)	(199)	(282)	(759)
Add: Net financial liabilities denominated in the respective entities' functional currencies	3,545	2,226	403	630	268	137	145	865
Add: Bank borrowings and debt securities designated for net investment hedge	–	49	90	–	241	303	39	–
Add: Cross currency swaps/foreign exchange forward contracts	–	124	–	–	–	–	–	–
Net currency exposure	(553)	(149)	110	240	108	241	(98)	106

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

(iii) Foreign currency risk

Sensitivity analysis

It is estimated that a five-percentage point strengthening in foreign currencies against the respective functional currencies of the Group would decrease the Group's profit before tax by approximately $7 million (2021: less than $1 million). A five-percentage point weakening in foreign currencies against the Singapore Dollar would have an equal but opposite effect. The Group's outstanding forward exchange contracts and cross currency swaps have been included in this calculation. The analysis assumed that all other variables, in particular interest rates, remain constant and does not take into account the translation related risk, associated tax effects and share of non-controlling interests.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For trade and other receivables, contract assets and financial assets at amortised cost, the Group has guidelines governing the process of granting credit as a service or product provider in its respective segments of business. Trade and other receivables and contract assets relate mainly to the Group's tenants from its office buildings, shopping malls, business parks and lodging properties. Financial assets at amortised cost relate mainly to amounts owing by related parties. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria.

The principal risk to which the Group is exposed to in respect of financial guarantee contracts is credit risk in connection with the guarantee contracts they have issued. To mitigate the risk, management continually monitors the risk and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given for the benefit of its subsidiaries and related parties. The maximum exposure to credit risk in respect of these financial guarantees at the reporting date is disclosed in note 34.

The Group has a diversified portfolio of businesses and as at balance sheet date, there was no significant concentration of credit risk with any entity. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, including derivative financial instruments as well as any irrevocable loan undertaking to associates and joint venture.

(i) Trade receivables and contract assets

The Group reviews the customers' credit risk taking into account the aging of the outstanding receivables, amount of security deposit available as well as any indication of credit default, and assess the amount of specific allowance for doubtful receivables required for each customer.

The Group also uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on similar credit risk characteristics and days past due. When determining the expected credit loss rates, the Group considers historical loss rates for customer grouped by industry sector and forward-looking macroeconomic factors like country's gross domestic product (GDP), which affect the ability of the customers to settle the receivables.

Trade and other receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Notes to the Financial Statements

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (continued)

(ii) Financial assets at amortised cost

The Group assesses on a forward-looking basis the expected credit losses associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(a) The movements in credit loss allowance are as follows:

	Trade receivables $'M	Other receivables $'M	Amounts due from related corporations (current) $'M	Amounts due from associates (current) $'M	Amounts due from joint ventures (current) $'M	Amounts due from joint ventures (non-current) $'M
The Group	<—— Note 12 ——>			Note 7(b)	Note 8(b)	Note 8(a)
At 1 January 2022	45	18	*	*	21	14
Allowance utilised	(5)	(1)	–	–	–	–
Allowance during the year	21	1	*	–	10	–
Reversal of allowance during the year	(8)	(2)	–	–	*	–
Translation differences	(2)	*	*	*	(3)	(1)
At 31 December 2022	51	16	*	*	28	13
At 1 January 2021	29	18	84	*	25	15
Allowance utilised	(2)	–	–	–	–	–
Allowance during the year	22	1	–	*	1	1
Reversal of allowance during the year	(4)	(2)	(84)	–	(4)	(1)
Translation differences	*	1	–	*	(1)	(1)
At 31 December 2021	45	18	*	*	21	14

* Less than $1 million

The movements in allowance for impairment loss on loans (note 6) and amounts due from subsidiaries (note 10 and 12) were as follows:

	Loans/Amounts due from subsidiaries 2022 $'M	2021 $'M
The Company		
At 1 January	16	16
Allowance during the year	–	*
At 31 December	16	16

* Less than $1 million

Cash and cash equivalents are subject to immaterial credit loss.

32 **FINANCIAL RISK MANAGEMENT** (CONTINUED)

(b) The maximum exposure to credit risk for trade receivables and other financial assets excluding cash and cash equivalents (by business activities) at the reporting date was:

	Trade receivables 2022 $'M	Other financial assets 2022 $'M	Trade receivables 2021 $'M	Other financial assets 2021 $'M
The Group				
Fee income-related business	88	405	81	333
Real estate investments	147	791	172	1,398
Corporate and Others	–	32	5	66
	235	1,228	258	1,797

(c) The credit quality of trade and other receivables is assessed based on credit policies established by management. The Group monitors customer credit risk by grouping trade and other receivables based on their characteristics. Trade and other receivables with high credit risk will be identified and monitored by the respective strategic business units. The Group's credit risk exposure in relation to trade and other receivables under SFRS(I) 9 as at 31 December 2022 are set out in the provision matrix as follows:

	Current $'M	Past due: Within 30 days $'M	Past due: 30 to 90 days $'M	Past due: More than 90 days $'M	Total $'M
The Group					
2022					
Expected loss rate	2.5%	2.7%	7.1%	69.8%	
Trade receivables	158	37	28	63	286
Loss allowance	4	1	2	44	51
Trade receivables under deferment scheme	–	*	*	*	*
Expected loss rate	–	–	–	0.3%	
Amounts due from associates (current)	98	43	12	49	202
Loss allowance	–	–	–	*	*
Expected loss rate	6.7%	–	0.1%	36.2%	
Amounts due from joint ventures (current)	164	83	3	47	297
Loss allowance	11	*	*	17	28
Expected loss rate	–	–	–	–	
Amounts due from associates (non-current)	74	–	–	–	74
Expected loss rate	3.2%	–	–	–	
Amounts due from joint ventures (non-current)	406	–	–	–	406
Loss allowance	13	–	–	–	13
Expected loss rate	0.002%	–	–	1.4%	
Amounts due from related corporations (current)	26	9	4	34	73
Loss allowance	*	–	–	*	*
Expected loss rate	–	–	–	–	
Amounts due from investee	18	–	–	–	18

Notes to the Financial Statements

32 **FINANCIAL RISK MANAGEMENT** (CONTINUED)

	Current $'M	Past due: Within 30 days $'M	Past due: 30 to 90 days $'M	Past due: More than 90 days $'M	Total $'M
The Group					
2021					
Expected loss rate	1.6%	6.3%	10.7%	66.1%	
Trade receivables	187	32	28	56	303
Loss allowance	3	2	3	37	45
Trade receivables under deferment scheme	*	*	*	*	1
Expected loss rate	–	–	–	0.6%	
Amounts due from associates (current)	202	26	22	16	266
Loss allowance	–	–	–	*	*
Expected loss rate	2.3%	–	–	53.1%	
Amounts due from joint ventures (current)	172	8	2	32	214
Loss allowance	4	–	–	17	21
Expected loss rate	–	–	–	–	
Amounts due from associates (non-current)	3	–	–	–	3
Expected loss rate	3.2%	–	–	–	
Amounts due from joint ventures (non-current)	436	–	–	–	436
Loss allowance	14	–	–	–	14
Expected loss rate	0.8%	–	–	–	
Amounts due from related corporations (current)	62	10	4	19	95
Loss allowance	*	–	–	–	*

* Less than $1 million

No aging analysis of contract assets and other receivables are presented as the majority of outstanding balances as at 31 December 2022 and 31 December 2021 are current.

The Company's ageing analysis of amounts due from related corporations and subsidiaries are not presented as the outstanding balances as at 31 December 2022 and 31 December 2021 are current.

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash or cash convertible investments to meet its working capital requirement. In addition, the Group strives to maintain sufficient available banking facilities to meet working capital and funding needs.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

As part of the Group's borrowing activities, the Group is exposed to the risk of potential and actual breaches of financial covenants in the Group's indebtedness which may also result in accelerated demands of payment or calls for events of default by lenders. This may restrict the Group's ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause the Group to be particularly vulnerable in any general economic downturn or instability in the global financial capital markets.

The Group has been actively managing its liquidity position amid the macroeconomic challenges. As at 31 December 2022, the Group has approximately \$6 billion (2021: \$7 billion) of total cash and available undrawn committed facilities held under the Group's treasury vehicles, which is sufficient to support the Group's funding requirements for the next 24 months.

The following are the expected contractual undiscounted cash flows of financial liabilities and derivative financial instruments, including interest payments and excluding the impact of netting agreements:

	Carrying amount	<— Contractual cash flows —>			
		Total	Not later than 1 year	Between 1 and 5 years	After 5 years
	$'M	$'M	$'M	$'M	$'M
The Group					
31 December 2022					
Financial liabilities, at amortised cost					
Bank borrowings	(10,429)	(11,731)	(1,573)	(8,869)	(1,289)
Debt securities	(1,502)	(1,666)	(204)	(1,270)	(192)
Lease liabilities	(659)	(826)	(81)	(312)	(433)
Trade and other payables#	(1,985)	(1,987)	(1,770)	(215)	(2)
	(14,575)	(16,210)	(3,628)	(10,666)	(1,916)
Derivative financial assets/ (liabilities), at fair value					
Interest rate swaps (net-settled)					
assets	114	117	78	37	2
Forward foreign exchange contracts (net-settled)					
– assets	11	11	11	–	–
– liabilities	(4)	(6)	(3)	(3)	–
Forward foreign exchange contracts (gross-settled)	(1)				
– outflow		(176)	(176)	–	–
– inflow		175	175	–	–
Cross currency swaps (gross-settled)	59				
– outflow		(537)	(156)	(381)	–
– inflow		638	192	446	–
Cross currency swaps (gross-settled)	(8)				
– outflow		(218)	(37)	(181)	–
– inflow		230	44	186	–
	171	234	128	104	2
	(14,404)	(15,976)	(3,500)	(10,562)	(1,914)

Notes to the Financial Statements

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

	Carrying amount	<— Contractual cash flows —>			
		Total	Not later than 1 year	Between 1 and 5 years	After 5 years
	$'M	$'M	$'M	$'M	$'M
The Group					
31 December 2021					
Financial liabilities, at amortised cost					
Bank borrowings	(11,598)	(12,454)	(2,088)	(9,105)	(1,261)
Debt securities	(1,179)	(1,233)	(641)	(592)	–
Lease liabilities	(771)	(1,008)	(95)	(334)	(579)
Trade and other payables#	(2,082)	(2,082)	(1,775)	(276)	(31)
	(15,630)	(16,777)	(4,599)	(10,307)	(1,871)
Derivative financial assets/ (liabilities), at fair value					
Interest rate swaps (net-settled)					
- assets	5	5	(3)	8	–
- liabilities	(59)	(68)	(53)	(15)	–
Forward foreign exchange contracts (net-settled)					
- assets	3	3	3	–	–
Cross currency swaps (gross-settled)	28				
- outflow		(700)	(322)	(378)	–
- inflow		738	340	398	–
	(23)	(22)	(35)	13	–
	(15,653)	(16,799)	(4,634)	(10,294)	(1,871)

Excludes advanced billings, advance payments received, accruals and other payables relating to staff cost, deferred income, derivative liabilities and liability for employee benefits.

	Carrying amount	<— Contractual cash flows —>			
		Total	Not later than 1 year	Between 1 and 5 years	After 5 years
	$'M	$'M	$'M	$'M	$'M
The Company					
31 December 2022					
Financial liabilities, at amortised cost					
Lease liabilities	(13)	(13)	(12)	(1)	–
Trade and other payables*	(1,028)	(1,040)	(223)	(817)	–
	(1,041)	(1,053)	(235)	(818)	–
31 December 2021					
Financial liabilities, at amortised cost					
Lease liabilities	(23)	(23)	(11)	(12)	–
Trade and other payables*	(1,077)	(1,101)	(276)	(339)	(486)
	(1,100)	(1,124)	(287)	(351)	(486)

* Excludes liability for employee benefits.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

At 31 December 2022, the Group held the following instruments to hedge exposures to changes in foreign currency and interest rates:

	Carrying amount			Changes in fair value used for calculating hedge ineffectiveness				
	Contractual notional amount $'M	Assets/ (Liabilities) $'M	Financial statement line item	Hedging instrument $'M	Hedged item $'M	Hedge ineffectiveness recognised in profit or loss $'M	Weighted average hedge forex rate/ interest rate (%)	Maturity date
The Group								
31 December 2022								
Cashflow hedges								
Foreign exchange risk								
– Cross currency swaps to hedge foreign currency borrowings	195	2	Derivative financial instruments	3	(3)	–	USD: SGD1.371	January 2022 to August 2025
– Forward contracts to hedge foreign currency receivable	61	(3)	Derivative financial instruments	(3)	3	–	KRW: SGD0.001	October 2024
Interest rate risk								
– Interest rate swaps to hedge floating rate borrowings	4,289	114	Derivative financial instruments	145	(145)	*	1.339%	March 2023 to October 2027
Net investment hedges								
Foreign exchange risk								
– Borrowings to hedge net investments in foreign operations	–	(593)	Borrowings	16	(16)	–	JPY: SGD0.01022 EUR: SGD1.504 GBP: SGD1.753 AUD: SGD0.903	April 2023 to June 2025
– Forward contracts to hedge net investments in foreign operations	462	9	Derivative financial instruments	7	(7)	–	USD: SGD1.371 RMB: SGD0.194 JPY: SGD0.0102 EUR: SGD1.430 GBP: SGD1.626 MYR: SGD0.302	January 2023 to November 2023
– Cross currency swaps to hedge net investments in foreign operations	585	49	Derivative financial instruments	44	(44)	–	JPY: SGD0.0102 EUR: SGD1.545	April 2023 to May 2026

Notes to the Financial Statements

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

	Carrying amount			Changes in fair value used for calculating hedge ineffectiveness				
	Contractual notional amount $'M	Assets/ (Liabilities) $'M	Financial statement line item	Hedging instrument $'M	Hedged item $'M	Hedge ineffectiveness recognised in profit or loss $'M	Weighted average hedge forex rate/ interest rate (%)	Maturity date
The Group								
31 December 2021								
Cashflow hedges								
Foreign exchange risk								
– Cross currency swaps to hedge foreign currency borrowings	262	1	Derivative financial instruments	5	(5)	–	USD: SGD1.347	January 2022 to August 2025
Interest rate risk								
– Interest rate swaps to hedge floating rate borrowings	5,126	(54)	Derivative financial instruments	51	(51)	–	1.305%	May 2022 to December 2024
Net investment hedges								
Foreign exchange risk								
– Borrowings to hedge net investments in foreign operations	–	(721)	Borrowings	25	(25)	–	JPY: SGD0.0119 EUR: SGD1.534 GBP: SGD1.753 AUD: SGD0.99 KRW: SGD0.0009	January 2022 to November 2024
– Forward contracts to hedge net investments in foreign operations	311	3	Derivative financial instruments	(2)	2	–	USD: SGD1.353 RMB: SGD0.212 JPY: SGD0.0119 EUR: SGD1.538 GBP: SGD1.815 MYR: SGD0.325	January 2022 to March 2022
– Cross currency swaps to hedge net investments in foreign operations	489	27	Derivative financial instruments	42	(42)	–	JPY: SGD0.013 EUR: SGD1.531 KRW: SGD0.0009	January 2022 to August 2025

* Less than $1 million

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The following table provides a reconciliation by risk category of components of equity and analysis of other comprehensive income items (net of tax) resulting from cashflow hedge accounting.

	2022 $'M	2021 $'M
The Group		
At 1 January	(1)	(51)
Change in fair value:		
– Interest rate risk	147	49
– Foreign currency risk	(3)	*
Amount reclassified to profit or loss:		
– Interest rate risk	(33)	1
At 31 December	110	(1)

* Less than $1 million

(e) Offsetting financial assets and financial liabilities

The Group's derivative transactions that are not transacted through an exchange, are governed by the ISDA Master Netting Agreements. In general, under such agreements, the amounts due on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount and settled between the counterparties. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and set off into a single net amount to be settled.

The above ISDA agreements do not meet the criteria for offsetting in the balance sheets as a right of set-off of recognised amounts is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

There is no offset of the Group and the Company's financial assets and financial liabilities as of the reporting dates.

33 COMMITMENTS

As at the reporting date, the Group had the following commitments:

(a) Operating lease

The Group's operating lease relates to leases with lease terms of 12 months or less or low value assets. Future minimum lease payments for the Group on non-cancellable operating leases are as follows:

	The Group 2022 $'M	The Group 2021 $'M
Lease payments payable:		
Not later than 1 year	58	68
Between 1 and 5 years	*	1
	58	69

* Less than $1 million

Notes to the Financial Statements

33 COMMITMENTS (CONTINUED)

(b) Commitments

	The Group 2022 $'M	The Group 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

(c) As at the reporting date, the notional principal values of financial instruments were as follows:

	The Group 2022 $'M	The Group 2021 $'M
Interest rate and forward start interest rate swaps	4,289	5,126
Forward foreign exchange contracts	523	311
Cross currency swaps	780	751
	5,592	6,188

The maturity profile of these financial instruments was:

	The Group 2022 $'M	The Group 2021 $'M
Not later than 1 year	3,366	1,676
Between 1 and 5 years	2,226	4,512
	5,592	6,188

34 FINANCIAL GUARANTEE CONTRACTS AND CONTINGENT LIABILITIES

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

	The Group 2022 $'M	The Group 2021 $'M	The Company 2022 $'M	The Company 2021 $'M
(a) Guarantees given to banks to secure banking facilities provided to:				
– subsidiaries	–	–	5,685	4,626
– joint ventures	4	5	–	–
	4	5	5,685	4,626

Notes to the Financial Statements

34 FINANCIAL GUARANTEE CONTRACTS AND CONTINGENT LIABILITIES (CONTINUED)

(b) Undertakings by the Group:

(i) As at 31 December 2022, two subsidiaries of the Group have pledged their shares in joint ventures for term loan and revolving facilities of $1,076 million (2021: $1,062 million) obtained by the joint ventures. As at 31 December 2022, the outstanding amount was $982 million (2021: $933 million).

(ii) As at 31 December 2022, a subsidiary of the Group has provided several undertakings on cost overrun, security margin and interest shortfall on several basis as well as project completion undertakings on a joint and several basis, in respect of term loan and revolving construction facilities amounting to $351 million (2021: $390 million) granted to joint ventures. As at 31 December 2022, the amounts outstanding under the term loan and revolving facilities is $224 million (2021: $197 million).

(iii) As at 31 December 2021, a subsidiary of the Group provided an indemnity for banker's guarantee issuance on a joint and several basis, in respect of term loan and revolving loan facilities amounting to $162 million granted to a joint venture. As at 31 December 2022, there was no financial guarantees arising from the term loan and revolving loan facilities as the facilities were refinanced during the year.

(c) Government assistance

In response to the economic impacts of the COVID-19 pandemic, the governments of the Japan, France and United States of America introduced various financial support schemes, which provided guarantees for bank loans borrowed by the Group's subsidiaries amounting to $38 million (2021: $46 million) issued by the respective banks during the year. The interest rates of the loans ranged from 0.21% to 1.11% (2021: 0.21% to 1.11%).

The Group determined that the interest rates for an equivalent loan issued on an arm's length basis without the guarantee would have ranged from 0.7% to 3.1% (2021: 0.5% to 1.2%). There are no unfulfilled conditions or contingencies for the government assistance as at 31 December 2022.

35 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or significant influence. Related parties may be individuals or other entities.

The Group considers the directors of the Company, Group CEO and key management officers of the corporate office as well as CEOs of the businesses to be key management personnel in accordance with SFRS(I) 1-24 *Related Party Disclosures*. Prior to the listing of the Company in September 2021, most of the key management personnel were directors or employees of the immediate holding company or related corporations and no consideration was paid to these companies for services rendered by the key management personnel, as the services provided by them to the Company and the Group were incidental to their responsibilities to the larger group.

35 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

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

	The Group	
	2022 $'M	2021 $'M
Related corporations of ultimate holding company		
Management fee income	17	7
Utilities expenses	(1)	(1)
Telecommunication expenses	(5)	(5)
Purchase consideration for acquisition of investment	147	–
Capital contribution in a joint venture	23	–
Receivables included in trade and other receivables	14	2
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
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
Management fee expenses	(4)	(42)
Rental expense	(3)	(3)
(Return of capital) / Capital contribution in joint ventures	(48)	332
Others	14	*
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
Key management personnel		
Purchase of fixed rate notes issued by a subsidiary	2	–
Remuneration of key management personnel (KMP)		
Salary, bonus and other benefits	17	8
Employer's contributions to defined contribution plans	*	*
Equity compensation benefits	20	5
	37	13#

* Less than $1 million
\# Remuneration of KMP in 2021 excludes remuneration of certain KMP paid by the immediate holding company, CapitaLand Group Pte. Ltd., prior to the strategic restructuring of the Group.

36 **OPERATING SEGMENTS**

Management determines the operating segment based on the reports reviewed and used for strategic decision making and resources allocation. The Group organises its reporting structure into segments by business activities to more accurately reflect the way the Group manage its businesses.

For segment reporting purpose, the Group's primary segment is based on business activities. The Group's secondary segment is reported by geographical locations.

The Group's reportable operating segments are as follows:

(i) Fee Income-related Business involves investment and asset management of listed and unlisted funds, lodging management and project management.

(ii) Real Estate Investments Business involves investments in real estate assets and related financial products.

(iii) Corporate and Others.

Information regarding the operations of each reportable segment is included below. Management monitors the operating results of each of its primary segments for the purpose of making decisions on resource allocation and performance assessment. Performance is measured based on segment earnings before interest, tax, depreciation and amortisation (EBITDA). EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis.

In term of secondary segment, the Group presents its businesses based on geographical locations based on Singapore, China, other emerging markets and other developed markets.

Notes to the Financial Statements

36 **OPERATING SEGMENTS** (CONTINUED)

Operating Segments

	Fee Income-related Business $'M	Real Estate Investment Business $'M	Corporate and Others $'M	Elimination $'M	Total $'M
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**
Segment 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**
Other segment items:					
Interest income	3	20	30	–	53
Depreciation and amortisation	(16)	(119)	(11)	–	(146)
Allowance for impairment losses on assets	(5)	(20)	–	–	(25)
Fair value gain on investment properties	–	250	–	–	250
Write back of listing and restructuring expenses	–	–	23	–	23
Share-based expenses	(31)	(13)	(24)	–	(68)
Net gains on disposal of investments and investment properties	–	224	–	–	224
Mark-to-market gain on derivative instruments	–	34	–	–	34
Associates	169	10,248	–	–	10,417
Joint ventures	8	2,727	–	–	2,735
Capital expenditure#	178	1,353	6	–	1,537

* Less than $1 million
\# Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

36 **OPERATING SEGMENTS** (CONTINUED)

Operating Segments

	Fee Income-related Business $'M	Real Estate Investment Business $'M	Corporate and Others $'M	Elimination $'M	Total $'M
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**
Segment 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**
Other segment items:					
Interest income	1	20	8	–	29
Depreciation and amortisation	(16)	(116)	(28)	–	(160)
Reversal of/(Allowance for) impairment losses on assets	(9)	73	(15)	–	49
Fair value gain on investment properties	–	255	–	–	255
Accrual of listing and restructuring expenses	–	–	(186)	–	(186)
Share-based expenses	(27)	(8)	(23)	–	(58)
Net gains on disposal of investments and investment properties	–	360	–	–	360
Associates	*	10,466	–	–	10,466
Joint ventures	7	2,775	–	–	2,782
Capital expenditure#	16	1,307	39	–	1,362

* Less than $1 million
# Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

Notes to the Financial Statements

36 **OPERATING SEGMENTS** (CONTINUED)

Geographical Information

	Singapore $'M	China $'M	Other developed markets[1] $'M	Other emerging markets[2] $'M	Group $'M
2022					
External revenue	557	466	1,536	317	2,876
EBITDA[4]	915	215	708	128	1,966
Non-current assets[3]	8,183	9,470	9,399[6]	2,770	29,822
Total assets	10,032	11,248	10,311	3,519	35,110
2021					
External revenue	620	442	985[5]	246	2,293
EBITDA[4]	803	699	896	71	2,469
Non-current assets[3]	9,276	9,736	9,087[6]	3,033	31,132
Total assets	11,119	12,911	10,043	3,573	37,646

1 Includes United Kingdom, France, Germany, Spain, Belgium, Ireland, Japan, South Korea, United States of America, Australia and New Zealand.
2 Other emerging markets refers to Asia, but excludes Singapore, China, Hong Kong, Japan and South Korea.
3 Non-current assets comprised property, plant and equipment, intangible assets, investment properties, investment in associates and joint ventures.
4 Fair value gains of $250 million in 2022 included in EBITDA (2021: gains of $255 million).
5 Includes revenue from United States of America of $776 million (2021: $440 million), Australia of $293 million (2021: $196 million), France of $170 million (2021: $100 million), United Kingdom of $99 million (2021: $55 million) and Japan of $92 million (2021: $124 million).
6 Includes non-current assets from United States of America of $3,471 million (2021: $3,132 million), Japan of $1,555 million (2021: $1,600 million) and Australia of $1,575 million (2021: $1,620 million).

37 **ADOPTION OF NEW ACCOUNTING STANDARDS**

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2022:

- Amendment to SFRS(I) 16: *COVID-19 – Related Rent Concessions beyond 30 June 2021*
- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Annual Improvements to SFRS(I)s 2018-2020
- Amendments to SFRS(I) 1-37 *Provision, contingent liabilities and contingent assets*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Group has not early adopted the new standards, interpretations and amendments to standards (collectively, Changes) which are effective for annual periods beginning on or on or after 1 January 2023, in preparing these consolidated financial statements. These Changes are not expected to have a significant impact on the Group's financial statements.

38 SUBSEQUENT EVENTS

(a) On 22 February 2023, CLI announced that it has established a China data centre development fund, CapitaLand China Data Centre Partners (CDCP). CDCP has committed to invest in two hyperscale data centre development projects in Greater Beijing, China and upon completion of the projects, it will add approximately $1 billion to CLI's funds under management. Total equity committed to CDCP is $530 million, with existing and new global institutional investors holding an 80% effective stake in CDCP and CLI holding the remaining 20%.

(b) On 23 February 2023, CLI announced that it has established the CapitaLand China Opportunistic Partners Programme (CCOP Programme), with a total of $1.1 billion equity committed to invest in special situation opportunities in China. CLI has secured $892 million from global institutional investors, which hold an 80% stake in the Programme and CLI holds the remaining 20% stake. The CCOP Programme comprises a $291 million single-asset fund and a $824 million programmatic joint venture.

Principal Subsidiaries Property Portfolio

As at 31 December 2022

INTEGRATED DEVELOPMENTS

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry
CHINA					
Tianjin	Tianjin International Trade Centre R: 45% O: 55%	100	77,428	Leasehold	2057
Wuhan	CapitaMall Westgate R: 72% O: 10% S: 18%	100	217,556	Leasehold	2053/2063
China Total			**294,984**		

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry
MALAYSIA					
Petaling Jaya	3 Damansara R: 83% O: 17%	39.5	71,452	Freehold	-
Malaysia Total			**71,452**		
Grand Total			**366,436**		

Legend: R: Retail, O: Office, S: Strata Sales

MALLS

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry
CHINA					
Beijing	CapitaMall Daxing	100	134,693	Leasehold	2051
China Total			**134,693**		
MALAYSIA					
Kuala Lumpur	Sungei Wang Plaza	39.5 [1,2]	47,483	Freehold	-
Kuantan	East Coast Mall	39.5 [1,3]	98,765	99	2106
Penang	Gurney Plaza	39.5 [1]	116,437	Freehold	-
	Queensbay Mall	100 [4]	86,137	Freehold	-
Selangor	The Mines	39.5 [1]	106,913	99	2091
Malaysia Total			**455,735**		
Grand Total			**590,428**		

Principal Subsidiaries Property Portfolio

As at 31 December 2022

LODGING

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
AUSTRALIA					
Brisbane	Pullman and Mercure Brisbane King George Square	37.5 [9]	438	Freehold	–
	Quest Cannon Hill	37.5 [9]	100	Freehold	–
Melbourne	Citadines on Bourke Melbourne	37.5 [9]	380	Freehold	–
	Pullman and Mercure Melbourne Albert Park	37.5 [9]	378	Freehold	–
	Somerset on Elizabeth Melbourne	100	34	Freehold	–
Perth	Citadines St Georges Terrace Perth	37.5 [9]	85	Freehold	–
Sydney	Citadines Connect Sydney Airport	37.5 [9]	150	Freehold	–
	Courtyard by Marriott Sydney-North Ryde	37.5 [9]	196	Freehold	–
	Novotel Sydney Central	37.5 [9]	255	Freehold	–
	Novotel Sydney Parramatta	37.5 [9]	194	Freehold	–
	Pullman Sydney Hyde Park	37.5 [9]	241	Freehold	–
	Quest Campbelltown	37.5 [9]	81	Freehold	–
	Quest Macquarie Park Sydney	37.5 [9]	111	Freehold	–
	Quest Mascot	37.5 [9]	91	Freehold	–
	Quest Sydney Olympic Park	37.5 [9]	140	99	2111
Australia Total			**2,874**		
BELGIUM					
Brussels	Citadines Sainte-Catherine Brussels	37.5 [9]	169	Freehold	–
	Citadines Toison d'Or Brussels	37.5 [9]	155	Freehold	–
Belgium Total			**324**		
CHINA					
Chengdu	Somerset Riverview Chengdu	100	200	50	2049
Dalian	Somerset Grand Central Dalian	37.5 [9]	195	50	2056
Shenyang	Somerset Heping Shenyang	37.5 [9]	270	40	2046
Suzhou	Citadines Xinghai Suzhou	37.5 [9]	167	70	2066
Tianjin	Somerset Olympic Tower Property Tianjin	37.5 [9]	185	70	2062
Wuhan	Citadines Zhuankou Wuhan	37.5 [9]	249	40	2043
China Total			**1,266**		
FRANCE					
Cannes	Citadines Croisette Cannes	37.5 [9]	58	Freehold	–
Lille	Citadines City Centre Lille	37.5 [9]	101	Freehold	–
Lyon	Citadines Presqu'île Lyon	37.5 [9]	116	Freehold	–
Marseille	Citadines Castellane Marseille	37.5 [9]	98	Freehold	–
	Citadines Prado Chanot Marseille	37.5 [9]	77	Freehold	–
Montpellier	Citadines Antigone Montpellier	37.5 [9]	122	Freehold	–
Paris	Citadines Austerlitz Paris	37.5 [9]	50	Freehold	–
	Citadines Les Halles Paris	37.5 [9]	189	Freehold	–
	Citadines Maine Montparnasse Paris	37.5 [9]	67	Freehold	–
	Citadines Montmartre Paris	37.5 [9]	111	Freehold	–
	Citadines Place d'Italie Paris	37.5 [9]	169	Freehold	–
	Citadines République Paris	37.5 [9]	76	Freehold	–
	Citadines St Germain	100	204	Freehold	–
	Citadines Tour Eiffel Paris	37.5 [9]	104	Freehold	–
	Citadines Trocadéro Paris	37.5 [9]	97	Freehold	–
	La Clef Louvre Paris	37.5 [9]	51	Freehold	–
	La Clef Tour Eiffel Paris	37.5 [9]	112	Freehold	–
France Total			**1,802**		

Principal Subsidiaries Property Portfolio

As at 31 December 2022

LODGING

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
GERMANY					
Berlin	Citadines Kurfürstendamm Berlin	37.5 [9]	117	Freehold	–
Frankfurt	Citadines City Centre Frankfurt	34.9 [9, 10]	165	Freehold	–
Hamburg	Citadines Michel Hamburg	34.9 [9, 10]	127	99	2111
	The Madison Hamburg	37.5 [9]	166	Freehold	–
Munich	Citadines Arnulfpark Munich	37.2 [9]	146	Freehold	–
Germany Total			**721**		
INDIA					
Chennai	Citadines OMR Gateway Chennai	100	269	Freehold	–
	Somerset Greenways Chennai	51.0	187	Freehold	–
India Total			**456**		
INDONESIA					
Jakarta	Ascott Jakarta	37.5 [9]	204	26	2024
	Ascott Kuningan Jakarta	100	185	30	2027
	Somerset Grand Citra Jakarta	21.4 [9]	200	30	2024
Indonesia Total			**589**		
IRELAND					
Dublin	Temple Bar Hotel	100	136	Freehold	–
Ireland Total			**136**		
JAPAN					
Fukuoka	Actus Hakata V-Tower	37.5 [9]	296	Freehold	–
	Infini Garden	37.5 [9]	389	Freehold	–
Hiroshima	Gravis Court Kakomachi	37.5 [9]	63	Freehold	–
	Gravis Court Kokutaiji	37.5 [9]	48	Freehold	–
	Gravis Court Nishiharaekimae	37.5 [9]	29	Freehold	–
Kobe	S-Residence Shukugawa	37.5 [9]	33	Freehold	–
Kyoto	Citadines Karasuma-Gojo Kyoto	37.5 [9]	124	Freehold	–
	House Saison Shijo-dori	37.5 [9]	190	Freehold	–
Nagoya	Marunouchi Central Heights	37.5 [9]	30	Freehold	–
Osaka	Eslead College Gate Kindaimae	37.5 [9]	112	Freehold	–
	Eslead Residence Bentencho Grande	37.5 [9]	120	Freehold	–
	Eslead Residence Umeda Grande	37.5 [9]	70	Freehold	–
	Hotel WBF Honmachi	37.5 [9]	182	Freehold	–
	Hotel WBF Kitasemba East	37.5 [9]	168	Freehold	–
	Hotel WBF Kitasemba West	37.5 [9]	168	Freehold	–
	Sotetsu Grand Fresa Osaka-Namba	37.5 [9]	698	Freehold	–
	S-Residence Fukushima Luxe	37.5 [9]	178	Freehold	–
	S-Residence Gakuenzaka	37.5 [9]	58	Freehold	–
	S-Residence Hommachi Marks	37.5 [9]	110	Freehold	–
	S-Residence Midoribashi Serio	37.5 [9]	98	Freehold	–
	S-Residence Namba Viale	37.5 [9]	116	Freehold	–
	S-Residence Tanimachi 9 chome	37.5 [9]	102	Freehold	–
Sapporo	Alpha Square Kita 15 jo	37.5 [9]	127	Freehold	–
	Big Palace Kita 14 jo	37.5 [9]	140	Freehold	–
	Big Palace Minami 5 jo	37.5 [9]	158	Freehold	–
	City Court Kita 1 jo	37.5 [9]	126	Freehold	–
Tokyo	Citadines Central Shinjuku Tokyo	37.5 [9]	206	Freehold	–
	Citadines Shinjuku Tokyo	37.5 [9]	160	Freehold	–
	Roppongi Residences Tokyo	37.5 [9]	64	Freehold	–
	Sotetsu Grand Fresa Tokyo-Bay Ariake	37.5 [9]	912	Freehold	–
Japan Total			**5,275**		
MALAYSIA					
Kuala Lumpur	Somerset Kuala Lumpur	37.5 [9]	205	Freehold	–
Malaysia Total			**205**		

Principal Subsidiaries Property Portfolio

As at 31 December 2022

LODGING

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
PHILIPPINES					
Makati	Ascott Makati	37.5 [9]	362	48	2044
	Somerset Millennium Makati	23.6 [9]	118	Freehold	
Philippines Total			**480**		
SINGAPORE					
Singapore	Ascott Orchard Singapore	37.5 [9]	220	99	2113
	Citadines Mount Sophia Property Singapore	37.5 [9]	154	96	2105
	lyf one-north Singapore	37.5 [9]	324	60	2078
	Riverside Hotel Robertson Quay	37.5 [9]	336	99	2105
	Somerset Liang Court Property Singapore	37.5 [9,A]	192	99	2120
Singapore Total			**1,226**		
SOUTH KOREA					
Seoul	ibis Ambassador Seoul Insadong	38.2 [9,10]	363	Freehold	–
	Sotetsu Hotels The Splaisir Seoul Dongdaemun	38.2 [9,10]	215	Freehold	–
South Korea Total			**578**		
SPAIN					
Barcelona	Citadines Ramblas Barcelona	37.5 [9]	131	Freehold	–
Spain Total			**131**		
UNITED KINGDOM					
London	Citadines Barbican London	37.5 [9]	129	Freehold	–
	Citadines Holborn-Covent Garden London	37.5 [9]	192	Freehold	–
	Citadines South Kensington London	37.5 [9]	92	Freehold	–
	Citadines Trafalgar Square London	37.5 [9]	187	Freehold	–
	The Cavendish London	100	230	150	2158
United Kingdom Total			**830**		
UNITED STATES OF AMERICA					
Atlanta	Paloma West Midtown	37.5 [9]	183	Freehold	–
Champaign	Seven07	37.5 [9]	218	Freehold	–
Columbia	Standard at Columbia	33.8 [9,A]	247	Freehold	–
Kent	Paloma Kent (f.k.a Latitude at Kent)	37.5 [9]	126	Freehold	–
Lubbock	Wildwood Lubbock	37.5 [9]	294	Freehold	–
New York City	Citadines Connect Fifth Avenue New York	100	125	Freehold	–
	Element New York Times Square West	37.5 [9]	411	99	2112
	Sheraton Tribeca New York Hotel	37.5 [9]	369	99	2112
	voco Times Square South	37.5 [9]	224	Freehold	–
Philadelphia	Paloma University City (f.k.a The Link University City)	37.5 [9]	126	Freehold	–
Raleigh	Paloma Raleigh (f.k.a Latitude on Hillsborough)	37.5 [9]	180	Freehold	–
Sunnyvale	The Domain Hotel	100	136	Freehold	–
Wilmington	Uncommon Wilmington	37.5 [9]	150	Freehold	–
United States of America Total			**2,789**		
VIETNAM					
Hai Phong City	Somerset Central TD Hai Phong City	37.5 [9]	132	64	2075
Hanoi	Somerset Grand Hanoi	26.3 [9]	185	45	2038
	Somerset Hoa Binh Hanoi	33.8 [9]	206	36	2042
Ho Chi Minh City	Somerset Chancellor Court Ho Chi Minh City	25.1 [9]	172	48	2041
	Somerset Ho Chi Minh City	22.3 [9]	198	45	2039
Vietnam Total			**893**		
Grand Total			**20,575**		

Principal Subsidiaries Property Portfolio

As at 31 December 2022

LODGING – MULTIFAMILY

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)
UNITED STATES OF AMERICA				
Aurora	Canterra at Fitzsimons	100	188	Freehold
	Silverbrook	100	165	Freehold
Austin	A Multifamily property in Austin, Texas	80 [A]	341	Freehold
	A Single-family rental property in Austin, Texas	80 [A]	380	Freehold
Corona	Deerwood Apartments	100	316	Freehold
	Marquessa Villas	100	336	Freehold
	The Ashton	100	492	Freehold
Denver	Parkfield	100	476	Freehold
	Sienna at Cherry Creek	100	220	Freehold
Everett	CentrePointe Greens	100	186	Freehold
	Timberline Court	100	126	Freehold
Kirkland	Heronfield	100	202	Freehold
Lacey	Capitol City on the Course	100	96	Freehold
	Village at Union Mills	100	182	Freehold
Lakewood	Dartmouth Woods	100	201	Freehold
Milwaukie	Miramonte Lodge	100	231	Freehold
	The Bluffs	100	137	Freehold
Nashville	A Multifamily property in Nashville, Tennessee	80 [A]	750	Freehold
Portland	Stoneridge at Cornell	100	233	Freehold
United States Of America Total			**5,258**	
Grand Total			**5,258**	

Principal Subsidiaries Property Portfolio

As at 31 December 2022

NEW ECONOMY

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry	Lease Type
CHINA						
Beijing	Projects in the Beijing Economic Technological Development Area (BDA)	99.7	15,233	Leasehold	2051-2053	Industrial/ Logistics
Dalian	Dalian Ascendas IT Park	100 [A]	337,743	Leasehold	2055	Business Park
Shanghai	Shanghai Zhuanqiao Data Centre	80	54,931	Leasehold	2057	Data Centre
Suzhou	Ascendas iHub Suzhou	100	170,797	Leasehold	2058	Business Park
Zhuozhou	Zhuozhou 1 DC	100 [B]	98,304	Leasehold	2059	Data Centre
	Zhuozhou 2 DC	100 [A]	53,344	Leasehold	2067	Data Centre
China Total			**730,351**			
INDIA						
Chennai	International Tech Park Chennai, Radial Road	100 [5, 6, A, B]	468,535	Freehold	–	IT park
National Capital Region	International Tech Park Gurgaon (SEZ 2)	100 [7, B]	96,319	Freehold	–	IT park
Pune	International Tech Park Pune, Hinjawadi	78.5	214,258	Leasehold	2103	IT park
India Total			**779,112**			
JAPAN						
Osaka	Osaka Saito Logistics Center project	100 [A]	26,746	Freehold	–	Logistics
Tokyo	Tokyo Hamura Logistics Center project	100 [A]	32,606	Freehold	–	Logistics
Japan Total			**59,352**			
MALAYSIA						
Penang	Valdor Logistics Hub	39.5 [8]	31,123	Freehold	–	Logistics
Malaysia Total			**31,123**			
SINGAPORE						
Singapore	ICON@IBP	100	41,956	53	2060	Business Park
	Pratt & Whitney Singapore Component Repair	100	14,948	59	2070	Industrial
Singapore Total			**56,904**			
UNITED KINGDOM						
Reading	Arlington Business Park	100 [8]	33,983	Freehold	–	Business Park
United Kingdom Total			**33,983**			
Grand Total			**1,690,825**			

Principal Subsidiaries Property Portfolio

As at 31 December 2022

OFFICES

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry
CHINA					
Beijing	Capital Square Beijing	100	44,759	Leasehold	2054
Shanghai	Innov Center	51.1	80,329	Leasehold	2059
Shenzhen	One iPark	73	22,507	Leasehold	2056
China Total			**147,596**		
JAPAN					
Tokyo	Kokugikan Front	100	7,864	Freehold	–
Japan Total			**7,864**		
Grand Total			**155,460**		

Notes

Any discrepancies in the tables between the listed figures are thereof due to rounding.
For China integrated developments, malls and offices, GFA excludes carpark area and sold strata sales. For business parks, logistics and data center, GFA per property titled certs, or planning permits.

Status

A Under Development
B Future Development

1 Held through CapitaLand Malaysia Trust.
2 Approximately 61.9% of aggregate retail floor area and 100% of car park bays.
3 GFA includes carpark area.
4 CLI owns 91.8% of aggregate retail floor area and 100% of car park bays.
5 Stipulated Gross Floor Areas are estimated.
6 Gross Floor Area includes under development and future development.
7 Gross Floor Area indicated for site refers to land area.
8 The floor area is stated using NLA.
9 Held through CapitaLand Ascott Trust.
10 Includes other stake not held through the REIT.

REGISTERED OFFICE OF THE ISSUER

SG Issuer
16, Boulevard Royal
L-2449 Luxembourg
Luxembourg

REGISTERED OFFICE OF THE GUARANTOR

Société Générale
29, boulevard Haussmann
75009 Paris
France

ISSUER'S AUDITORS

Ernst & Young Société Anonyme
35E, avenue John F. Kennedy
L-1855 Luxembourg
Luxembourg

GUARANTOR'S AUDITORS

Ernst & Young et Autres
Tour First
TSA 14444
92037 Paris-La Défense Cedex
France

Deloitte & Associés
6, place de la Pyramide
92908 Paris-La Défense Cedex
France

WARRANT AGENT

THE CENTRAL DEPOSITORY (PTE) LIMITED
11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589

LEGAL ADVISERS TO THE ISSUER
(as to Singapore law)

ALLEN & GLEDHILL LLP
One Marina Boulevard #28-00
Singapore 018989