INFORMATION IN THIS PRELIMINARY PRICING SUPPLEMENT IS NOT COMPLETE AND MAY BE CHANGED. THIS PRELIMINARY PRICING SUPPLEMENT IS NOT AN OFFER TO SELL SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE IS NOT PERMITTED. THE DEFINITIVE TERMS OF THE TRANSACTION(S) DESCRIBED HEREIN WILL BE DESCRIBED IN THE FINAL VERSION OF THIS PRICING SUPPLEMENT.

SUBJECT TO AMENDMENT AND COMPLETION
PRELIMINARY PRICING SUPPLEMENT

DATE: 19 JUNE 2024
STRICTLY CONFIDENTIAL

PRICING SUPPLEMENT DATED [•] JUNE 2024

CAPITALAND TREASURY LIMITED
(Legal Entity Identifier: 2549009SR9TMQ3IRHP92)

S$5,000,000,000 Euro Medium Term Note Programme
(established on 29 April 2019)

Issue of S$[•] [•] per cent. Fixed Rate Senior Notes due 20[•]
unconditionally and irrevocably guaranteed by CapitaLand Group Pte. Ltd.

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes other than Perpetual Notes (the "**Conditions**") set forth in the Offering Circular dated 18 July 2023 (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. This Pricing Supplement, together with the information set out in the Schedules hereto, supplements the Offering Circular and supersedes the information in the Offering Circular to the extent inconsistent with the information included therein.

Where interest, discount income, early redemption fee or redemption premium is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore (the "**Income Tax Act**") shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

1	(a)	Issuer:	CapitaLand Treasury Limited
	(b)	Guarantor:	CapitaLand Group Pte. Ltd.
2	(a)	Series Number:	4
	(b)	Tranche Number:	1
3	Specified Currency or Currencies:		Singapore Dollars ("**S$**")
4	Aggregate Principal Amount:		
	(a)	Series:	S$**[•]**
	(b)	Tranche:	S$**[•]**
5	(a)	Issue Price:	100 per cent. of the Aggregate Principal Amount
	(b)	Gross Proceeds:	S$**[•]**

6	(a) Specified Denominations:		S$250,000
	(b) Calculation Amount:		S$250,000
7	(a) Trade Date:		**[•]** 2024
	(b) Issue Date:		**[•]** 2024
	(c) Interest Commencement Date:		Issue Date
8	Maturity Date:		**[•]**
9	Interest Basis:		**[•]** per cent. Fixed Rate (further particulars specified below)
10	Redemption/Payment Basis:		Redemption at par
11	Change of Interest or Redemption/ Payment Basis:		Not Applicable
12	Put/Call Options:		Not Applicable
13	(a) Status of the Notes:		Senior
	(b) Status of the Guarantee:		Senior
14	Listing and admission to trading:		SGX-ST
15	Method of distribution:		Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions:		Applicable
	(a) Rate(s) of Interest:		**[•]** per cent. per annum payable semi-annually in arrear
	(b) Interest Payment Date(s):		**[•]** and **[•]** in each year, commencing on and including **[•]** up to and including the Maturity Date
	(c) Fixed Coupon Amount(s):		Not Applicable
	(d) Broken Amount(s):		Not Applicable
	(e) Day Count Fraction:		Actual/365 (Fixed)
	(f) Determination Date(s):		Not Applicable
	(g) Other terms relating to the method of calculating interest for Fixed Rate Notes:		None
17	Floating Rate Note Provisions:		Not Applicable
18	Zero Coupon Note Provisions:		Not Applicable
19	Index Linked Interest Note Provisions:		Not Applicable

20	Dual Currency Interest Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21	Call Option:	Not Applicable
22	Put Option:	Not Applicable
23	Minimum Outstanding Amount Redemption Option:	Not Applicable
24	Final Redemption Amount:	S$250,000 per Calculation Amount
25	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6 *(Redemption, Purchase and Options)*):	S$250,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26	Form of Notes:	Registered Notes Global Certificate exchangeable for Registered Notes in definitive form in the limited circumstances specified in the Global Certificate
27	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
28	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
29	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
30	Details relating to Instalment Notes:	
	(a) Instalment Amount(s):	Not Applicable
	(b) Instalment Date(s):	Not Applicable
31	Place for Notices:	In accordance with the Conditions

32	Other final terms:		Not Applicable

DISTRIBUTION

33	(a)	If syndicated, names of Managers:	DBS Bank Ltd. Oversea-Chinese Banking Corporation Limited
	(b)	Stabilisation Coordinator(s) (if any):	Not Applicable
34	If non-syndicated, name of relevant Dealer(s):		Not Applicable
35	U.S. selling restrictions:		Regulation S Compliance Category 2; TEFRA not applicable. The Notes are being offered and sold only in accordance with Regulation S.
36	(a)	Additional selling restrictions:	Not Applicable
	(b)	Additional distribution details:	Not Applicable
37	Prohibition of Sales to EEA Retail Investors:		Not Applicable
38	Prohibition of Sales to UK Retail Investors:		Not Applicable
39	(a)	Private bank commission:	Not Applicable
	(b)	Rebates:	Not Applicable

OPERATIONAL INFORMATION

40	Any clearing system(s) other than CDP, Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s):	Not Applicable
41	Delivery:	Delivery free of payment
42	Additional Paying Agent(s) (if any):	Not Applicable
43	ISIN Code:	To be obtained
44	Common Code:	To be obtained
45	CFI:	Not Applicable
46	FISN:	Not Applicable

GENERAL

47	The aggregate principal amount of Notes in the Specified Currency issued has been translated into	Not Applicable

	Singapore dollars at the rate specified, producing a sum of:	
48	In the case of Registered Notes, specify the location of the office of the Registrar:	One Temasek Avenue #02-01 Millenia Tower Singapore 039192
49	In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than London:	Not Applicable
50	Ratings:	The Notes to be issued are unrated
51	Applicable Governing Document:	Amended and Restated Trust Deed dated 18 July 2023 and Amended and Restated Singapore Supplemental Trust Deed dated 18 July 2023
52	Governing Law:	Singapore law

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited of the Notes described herein pursuant to the S$5,000,000,000 Euro Medium Term Note Programme of CapitaLand Treasury Limited established on 29 April 2019.

INVESTMENT CONSIDERATIONS

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

MATERIAL ADVERSE CHANGE STATEMENT

There has been no significant change in the financial or trading position of the Guarantor or of CapitaLand Group since 31 December 2023 and no material adverse change in the financial position or prospects of the Guarantor or of CapitaLand Group since 31 December 2023.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of **CapitaLand Treasury Limited**

By: ______________________________
Duly authorised

By: ______________________________
Duly authorised

Signed on behalf of **CapitaLand Group Pte. Ltd**

By: ______________________________
Duly authorised

By: ______________________________
Duly authorised

SCHEDULE 1

The Offering Circular is hereby supplemented with the following information, which shall be deemed to be incorporated in, and to form part of, the Offering Circular. Save as otherwise defined herein, terms defined in the Offering Circular have the same meaning when used in this Schedule 1.

1. The section "*Notice to Investors – Selling Restrictions – Singapore*" appearing on pages iii and iv of the Offering Circular shall be deleted in its entirety.

2. The section "*Risk Factors – Risks Relating to the Notes Issued under the Programme – Singapore taxation risk*" appearing on page 62 of the Offering Circular shall be deleted in its entirety and replaced with the following:

   "The Notes to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2028 are intended to be "qualifying debt securities" for the purposes of the ITA subject to the fulfilment of certain conditions more particularly described in the section "*Taxation – Singapore Taxation*". However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time."

3. The section "*Taxation – Singapore Taxation*" appearing on pages 261 to 265 of the Offering Circular shall be deleted in its entirety and replaced with the following:

   "**Singapore Taxation**

   The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the MAS in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis, including amendments to the Income Tax (Qualifying Debt Securities) Regulations to include the conditions for the income tax and withholding tax exemptions under the qualifying debt securities ("**QDS**") scheme for early redemption fee (as defined in the ITA) and redemption premium (as such term has been amended by the ITA). Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Guarantor, the Arrangers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Notes as "debt securities" for the purposes of the ITA and that distribution payments made under each tranche of the Perpetual Notes (including Arrears of Distribution and any Additional Distribution Amount) will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for QDS, provided that the other conditions for the Qualifying Debt Securities Scheme are satisfied. If any tranche of the Perpetual Notes is not regarded as "debt securities" for the purposes of the ITA, any distribution payment made under any tranche of the Perpetual Notes (including Arrears of Distribution and any Additional Distribution Amount) is not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions or exemptions under the QDS scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Notes should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Notes.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is:

    (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore); or

    (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is currently 24.0 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium derived from debt securities, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

As the Programme as a whole was arranged by DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Morgan Stanley Asia (Singapore) Pte., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited, each of which was a Financial Sector Incentive (Capital Market) Company or a Financial Sector Incentive (Standard Tier) Company (as defined in the ITA) at such time and is a Specified Licensed Entity (as defined below), any tranche of the Notes (the "**Relevant Notes**") issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2028 would be QDS for the purposes of the ITA, to which the following treatment shall apply:

- subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, early redemption fee or redemption premium from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the "**Qualifying Income**") from the Relevant Notes paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

- subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

- subject to:

  (aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

  (bb) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of such Relevant Notes which are outstanding at any time during the life of the issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

Pursuant to the ITA, the reference to the term "**Specified Licensed Entity**" above means:

(i) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;

(ii) a finance company licensed under the Finance Companies Act 1967 of Singapore; or

(iii) a person who holds a capital markets services licence under the SFA to carry on a business in any of the following regulated activities: advising on corporate finance or dealing in capital markets products.

The terms "**early redemption fee**", "**redemption premium**" and "**related party**" are defined in the ITA as follows:

- "**early redemption fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities;

- "**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities; and

- “**related party**”, in relation to a person (*A*), means any person (a) who directly or indirectly controls *A*; (b) who is being controlled directly or indirectly by *A*; or (c) who, together with *A*, is directly or indirectly under the control of a common person.

References to “early redemption fee”, “redemption premium” and “related party” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature. Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard (“**FRS**”) 109 or SFRS(I) 9 (as the case may be) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 109 or SFRS(I) 9 (as the case may be). Please refer to “*Adoption of FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes*”.

Adoption of FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

Holders of the Notes who may be subject to the tax treatment under Section 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.”

4. The section "*Subscription and Sale – Selling Restrictions – Singapore*" appearing on pages 275 to 276 of the Offering Circular shall be deleted in its entirety and replaced with the following:

"***Singapore***

Each Joint Lead Manager acknowledges that the Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager represents, warrants and agrees that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

Any reference to the "SFA" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time."

SCHEDULE 2
CAPITALAND GROUP BUSINESS UPDATES

RECENT SIGNIFICANT DEVELOPMENTS

Acquisition of lodging property in Singapore

On 9 January 2024, CLI, through Ascott and CapitaLand Wellness Fund ("**C-WELL**"), announced the acquisition of a freehold lodging property in Singapore. Ascott and C-WELL each holds a 50% stake in the lodging property. C-WELL is CLI's inaugural wellness and healthcare-related real estate fund anchored in Southeast Asia.

Establishment of solar power plant in Tamil Nadu, India

On 25 January 2024, CLI, through CLINT, announced the establishment of its first captive solar power plant in Tamil Nadu, India. The 21-megawatt ("**MW**") solar plant is expected to generate over 30 million kilowatt-hour of electricity annually and meet the power supply needs of 2 million square feet ("**sq ft**") equivalent of office space. The power generated from the solar plant will be utilised predominantly for the common areas of CLINT's assets in Tamil Nadu. This is expected to increase CLINT's green energy usage by over 70%, reduce its carbon emissions by more than 17,000 tonnes, as well as reduce its need to purchase power. The facility has an 8 MW expansion potential to bring the solar plant's total size to 29 MW.

Establishment of joint venture with AIA Life Insurance

On 31 January 2024, CLI, through CICT, announced the establishment of a RMB2.4 billion joint venture with AIA Life Insurance ("**AIA**") to recapitalise Capital Square Beijing, a Grade A office building in Beijing, China. Under this partnership, CLI will divest its 95% stake in Capital Square Beijing to AIA and hold the remaining 5% stake. CLI will provide asset management services for the joint venture, which will contribute to its recurring fee income.

Divestment of Citadines Mount Sophia in Singapore

On 2 February 2024, CLI, through CLAS, announced the divestment of Citadines Mount Sophia Singapore to an unrelated third party for S$148 million. The 154-unit property was divested at 19.4% above book value as at 31 December 2023. The exit yield is approximately 3.2% and CLAS will recognise a net gain of approximately S$14.6 million. The divestment completed in 1Q 2024.

Acquisition of three industrial facilities in Chennai, India

On 5 February 2024, CLI, through CLINT, announced the entering of a forward purchase agreement with Casa Grande Group to acquire three industrial facilities with a total net leasable area of 0.79 million sq ft at OneHub Chennai, India. The total purchase price for the transaction is estimated to be INR2,680 million, which includes CLINT's partial funding for the lease of the project land and full funding for the development of the project.

Acquisition of three freehold industrial factories in Johor, Malaysia

On 5 February 2024, CLI, through CLMT, announced the entering of a conditional sale and purchase agreement to acquire three prime freehold ready-built factories located at the Nusajaya Tech Park in

Iskandar Malaysia, Johor from Nusajaya Tech Park Sdn. Bhd. The agreed value of RM27.0 million, negotiated on a willing-buyer willing-seller basis, is in line with the independent market valuation of RM28.2 million commissioned by the trustee of CLMT.

Establishment of core logistics private fund in Japan

On 5 February 2024, CLI announced that it has closed a new core logistics private fund in Japan targeting Japanese investors. The fund will grow CLI's FUM by JPY16.5 billion. The closed-end fund has attracted several prominent institutional capital partners in Japan. CLI holds a minority stake in the fund, in line with its asset-light strategy to grow its FUM while keeping strong alignment with its investors and partners. The fund has been fully deployed to acquire two freehold and green-certified logistics assets. CLI remains as the asset manager of the two logistics properties, which will boost its recurring fee income.

Acquisition of industrial properties, greenfield site and freehold lodging property in Southeast Asia

On 7 February 2024, CLI announced three new acquisitions in Southeast Asia from unrelated third parties. The acquisitions include two industrial properties in Singapore by Extra Space Asia, the Asia-focused self-storage platform managed by CLI. In addition, CapitaLand SEA Logistics Fund acquired OMEGA 1 Bang Na, Thailand ("**OMEGA 1 Bang Na**"), a 20-hectare freehold greenfield site in Bangkok, Thailand. In January 2024, CapitaLand Wellness Fund completed the joint acquisition of a freehold lodging property in Singapore. Upon the completion of the development of OMEGA 1 Bang Na, the total investment value of these four acquisitions is expected to be approximately S$700 million, boosting CLI's funds under management in the region to S$1.2 billion.

Establishment of lodging private fund

On 14 February 2024, CLI announced the establishment of its new lodging private fund, CapitaLand Ascott Residence Asia Fund II ("**CLARA II**"). With a target equity size of US$600 million, CLARA II will invest in serviced residences and co-living properties in gateway cities in key developed Asia Pacific markets. CLI will hold a 20% sponsor stake in CLARA II, in line with its asset-light strategy to grow its funds under management while keeping strong alignment with its investors and partners. The remaining 80% will be held by third-party institutional investors.

Acquisition of BlueRidge 3 Phase 1 in Pune, India

On 1 March 2024, CLI, through CLINT, announced the completion of acquisition of BlueRidge 3 Phase 1, a 1.4 million sq ft multi-tenanted information technology ("**IT**") Special Economic Zone project in Hinjawadi, Pune. CLINT has acquired the project, which comprises an IT building and a cafeteria block, for a gross purchase consideration of approximately INR7.73 billion. The acquisition is part of a forward purchase arrangement with Nalanda Shelter Private Limited that was announced on 14 June 2019.

Issuance of sustainability-linked panda bond

On 20 March 2024, CLI announced the successful issuance of its inaugural sustainability-linked panda bond, raising RMB1 billion from investors. This is the first sustainability-linked panda bond issued by a Singapore company. CLI's panda bond has a three-year tenor and a fixed coupon rate of 3.5% per annum.

Acquisition of IT buildings in Hyderabad, India

On 3 May 2024, CLI, through CLINT, announced the entering of a forward purchase agreement with Phoenix Group to acquire IT buildings with a total leasable area of 2.5 million sq ft in HITEC City, India. HITEC City is a major IT and office hub in Hyderabad where many large multinational companies are located.

Divestment of serviced apartment property in Shanghai, China

In 1Q 2024, CapitaLand Development completed the divestment of Ascott Heng Shan Shanghai, a 90-unit serviced apartment property in Shanghai's Xuhui district to an unrelated third party. The divestment is in line with CapitaLand Development's business strategy to realise development profits at the opportune time, with a view to recycling the capital into new opportunities.

Residential development on 71 Science Park Drive, Singapore

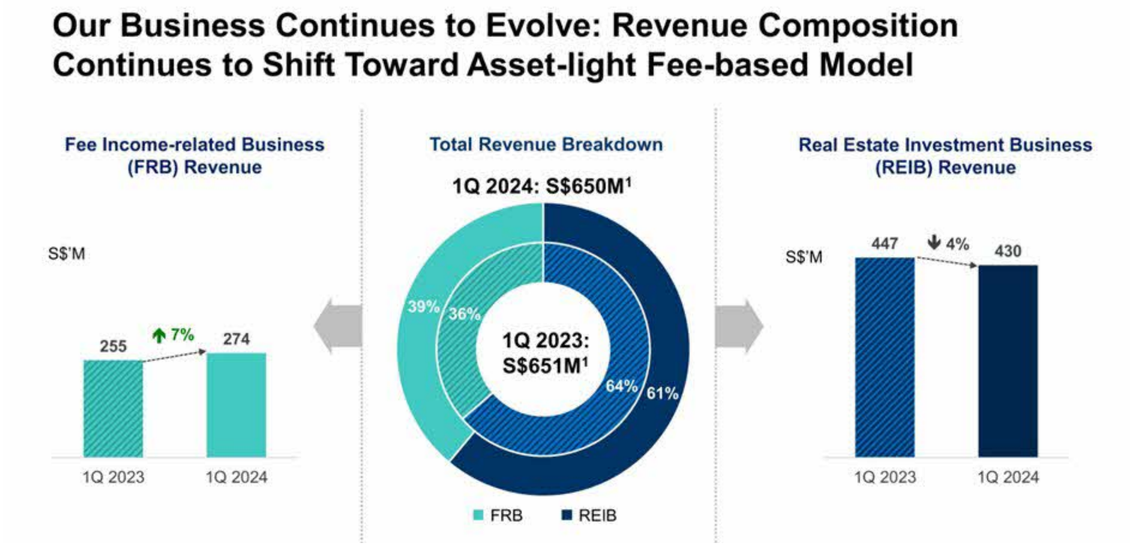
On 18 May 2024, CapitaLand Development submitted a proposal to the authorities to build a residential development on 71 Science Park Drive, currently a vacant plot in Singapore Science Park ("**SSP**"). If approved, its redevelopment into a condominium with about 300 units will be the first residential development in SSP, in line with CapitaLand Development's multi-stage strategy to transform the 55-hectare SSP into a holistic work-live-play innovation district.

Award of government land sales site adjacent to Holland Village, Singapore

On 20 May 2024, a consortium comprising CapitaLand Development (35%), UOL Group Limited (35%), Singapore Land Group Limited (20%) and Kheng Leong (10%) was awarded a residential development site adjacent to Holland Village, with a top bid of S$805.4 million. The consortium plans to develop two 40-storey condominium towers accommodating 680 units on the 99-year leasehold land, which spans a total site area of 12,388 sq m.

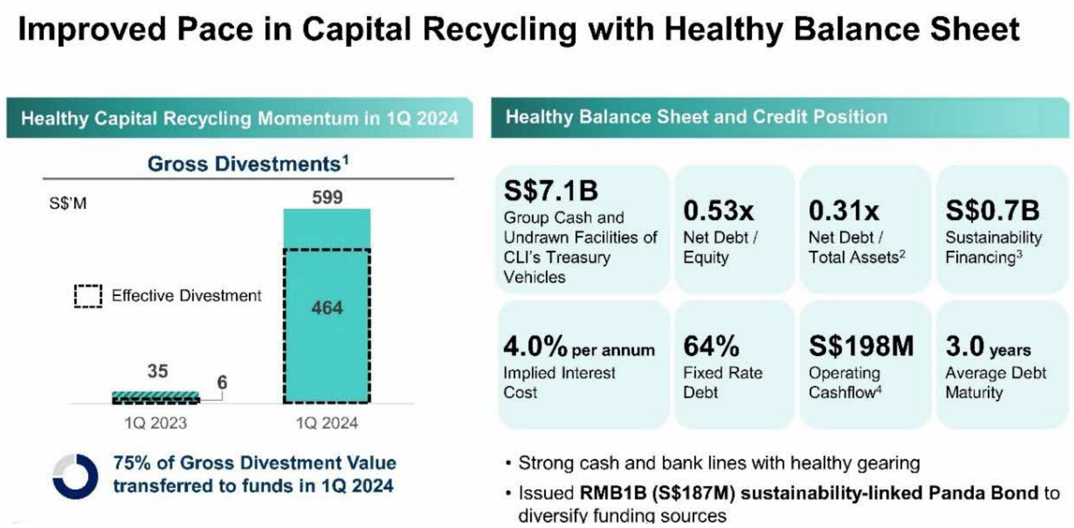
CLI Group 1Q2024 Business Update – Key Highlights

The charts below summarise the CLI Group's key business highlights for the first quarter of 2024 ("**1Q2024**") and for the three months ended 31 March 2024.



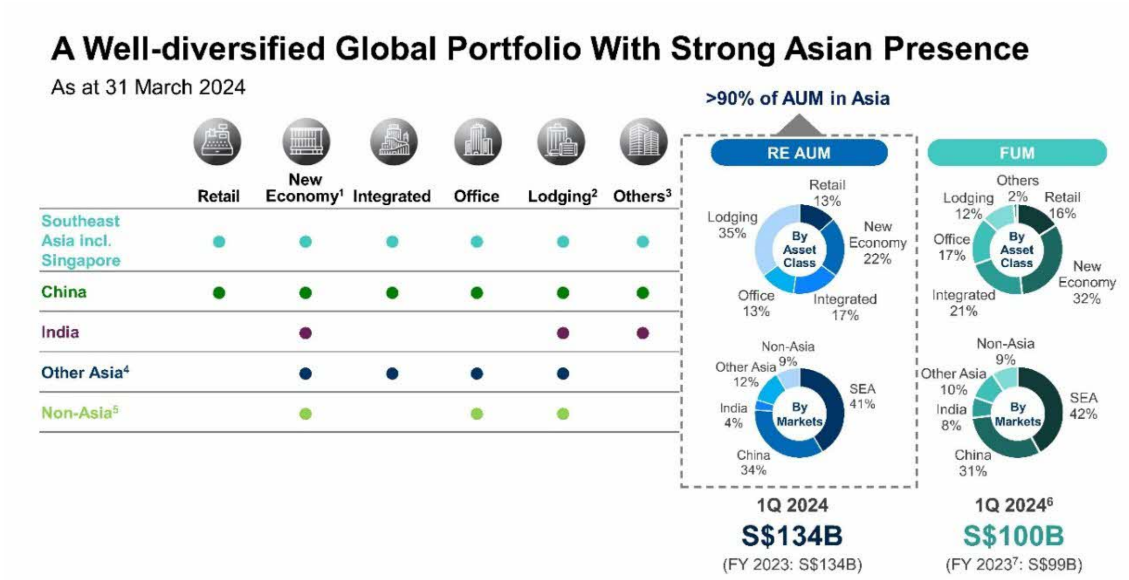
Note:

(1) Total revenue includes corporate and others (1Q2024: -S$54M; 1Q2023: -S$51M).



Notes:

(1) Total gross divestment value based on agreed property value (100% basis) or sales consideration.
(2) Total assets exclude cash.
(3) Includes off-balance sheet sustainable financing.
(4) Includes dividends received from associates, joint ventures and long-term investments.



Notes:

(1) Includes business parks, industrial, logistics, data centres and self storage.

(2) Includes multifamily.

(3) Includes wellness, residential and strata sales.

(4) Includes Australia, Japan, South Korea and other Asian countries.

(5) Includes the UK, the USA, Europe and other non-Asian countries.

(6) Includes announced acquisitions/divestments from listed and private funds not yet completed, committed but undeployed capital for private funds on a leveraged basis and forward purchase contracts, as at 31 March 2024.

(7) Includes announced acquisitions/divestments from listed and private funds not yet completed, committed but undeployed capital for private funds on a leveraged basis and forward purchase contracts, as at 31 December 2023.

SCHEDULE 3

Annual Report for Year Ended 31 December 2023 of CapitaLand Group Pte. Ltd. and its Subsidiaries

CapitaLand Group Pte. Ltd. and its Subsidiaries
Registration Number: 198900036N

Annual Report
Year ended 31 December 2023

Directors' Statement

We are pleased to submit this annual report to the member of the Company, together with the audited financial statements for the financial year ended 31 December 2023.

In our opinion:

(a) the financial statements set out on pages FS1 to FS133 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and the cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards (IFRS); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Wong Kan Seng	
Ko Kai Kwun Miguel	
Ong Yew Huat	
Lee Ching Yen Stephen	
Lee Chee Koon	
Professor Cheong Koon Hean	
Teo Juet Sim Juliet	(Appointed on 1 February 2023)
Leong Wai Leng	(Appointed on 1 March 2023)
Yap Neng Tong	(Appointed on 1 September 2023)

Directors' Interests in Shares or Debentures

According to the register of directors' shareholdings, particulars of interests of directors who held office at the end of the financial year (including those held by spouses and children) in shares or debentures of the Company, or of its related corporations, are as follows:

Directors' Interests in Shares or Debentures (continued)

	Holdings in the name of the director, spouse and/or children	
Related Corporations	**At beginning of the year/date of appointment**	**At end of the year**
Ascendas Pte Ltd		
S$200 million 3.265% Fixed Rate Notes due 2025		
Wong Kan Seng	S$500,000	S$500,000
Astrea IV Pte. Ltd.		
S$242 million Class A-1 4.35% Secured Fixed Rate Bonds due 2028		
Leong Wai Leng	S$336,000	–
US$110 million Class B 6.75% Secured Fixed Rate Bonds due 2028		
Leong Wai Leng	US$200,000	–
Astrea V Pte. Ltd.		
S$315 million Class A-1 3.85% Secured Fixed Rate Bonds due 2029		
Wong Kan Seng	S$250,000	S$250,000
Professor Cheong Koon Hean	S$6,000	S$6,000
Leong Wai Leng	S$214,000	S$214,000
US$230 million Class A-2 4.50% Secured Fixed Rate Bonds due 2029		
Leong Wai Leng	US$200,000	US$200,000
Astrea VI Pte. Ltd.		
S$382 million Class A-1 3.00% Secured Fixed Rate Bonds due 2031		
Teo Juet Sim Juliet	S$58,000	S$58,000
Leong Wai Leng	S$105,000	S$605,000
US$228 million Class A-2 3.25% Secured Fixed Rate Bonds due 2031		
Wong Kan Seng	US$100,000	US$100,000
Professor Cheong Koon Hean	US$100,000	US$100,000
Leong Wai Leng	US$200,000	US$200,000

Directors' Interests in Shares or Debentures (continued)

	Holdings in the name of the director, spouse and/or children	
Related Corporations (continued)	**At beginning of the year/date of appointment**	**At end of the year**
Astrea VI Pte. Ltd. (continued)		
US$130 million Class B 4.35% Secured Fixed Rate Bonds due 2031		
Leong Wai Leng	US$400,000	US$400,000
Astrea 7 Pte. Ltd.		
S$526 million Class A-1 4.125% Secured Fixed Rate Bonds due 2032		
Professor Cheong Koon Hean	S$166,000	S$166,000
Teo Juet Sim Juliet	S$270,000	S$270,000
Leong Wai Leng	S$750,000	S$1,250,000
US$200 million Class B 6% Secured Fixed Rate Bonds due 2032		
Leong Wai Leng	US$525,000	US$525,000
CapitaLand Investment Limited (CLI)		
Ordinary shares		
Ko Kai Kwun Miguel	1,337,793	1,399,699
Lee Ching Yen Stephen	220,726	220,726
Lee Chee Koon	2,470,572	3,268,553
Leong Wai Leng	40,000	40,000
Yap Neng Tong	1,319,759	1,319,759
Award of CLI Performance shares[1, 3] to be delivered after 2022[¶]		
Lee Chee Koon	941,254	–
Award of CLI Performance shares[1, 3] to be delivered after 2023		
Lee Chee Koon	1,116,813	1,116,813
Yap Neng Tong	647,749	647,749

¶ During the year, 941,254 shares were released, of which 235,314 share were settled in cash.

Directors' Interests in Shares or Debentures (continued)

		Holdings in the name of the director, spouse and/or children	
		At beginning of the year/date of appointment	At end of the year
Related Corporations (continued)			
CapitaLand Investment Limited (CLI) (continued)			
Contingent Award of CLI Performance shares[1, 4] to be delivered after 2024			
Lee Chee Koon	(368,166 shares)	0 to 736,332	0 to 736,332
Yap Neng Tong	(194,392 shares)	0 to 388,784	0 to 388,784
Contingent Award of CLI Performance shares[1,5] to be delivered after 2025			
Lee Chee Koon	(340,933 shares)	–	0 to 1,022,799
Yap Neng Tong	(180,013 shares)	0 to 540,039	0 to 540,039
Contingent award of CLI Performance shares[1,6] under Special Founders Performance share award to be delivered after 2025			
Lee Chee Koon	(921,006 shares)	0 to 2,763,018	0 to 2,763,018
Yap Neng Tong	(637,619 shares)	0 to 1,912,857	0 to 1,912,857
Award of CLI Restricted shares[2] to be delivered after 2022			
Lee Chee Koon		0 to 552,249[7]	184,083[8]
Yap Neng Tong		97,196[8]	97,196[8]
Award of CLI Restricted share[2, 9] to be delivered after 2023			
Lee Chee Koon		–	54,549
CapitaLand Treasury Limited			
S$500 million 3.08% Fixed Rate Notes due 2027			
Professor Cheong Koon Hean		S$250,000	S$250,000
S$500 million 3.65% Fixed Rate Subordinated Perpetual Notes			
Yap Neng Tong		S$250,000	S$250,000

Directors' Interests in Shares or Debentures (continued)

	Holdings in the name of the director, spouse and/or children	
	At beginning of the year/date of appointment	**At end of the year**
Related Corporations (continued)		
CLI Treasury Limited		
S$400 million 3.33% Fixed Rate Senior Notes due 2027		
Ko Kai Kwun Miguel	S$500,000	S$500,000
Lee Chee Koon	S$500,000	S$500,000
Mapletree Treasury Services Limited		
S$300 million 3.4% Notes due 2026		
Ko Kai Kwun Miguel	S$500,000	S$500,000
Leong Wai Leng	S$250,000	S$250,000
S$250 million 3.58% Notes due 2029		
Leong Wai Leng	S$250,000	S$250,000
S$300 million 3.15% Notes due 2031		
Leong Wai Leng	S$250,000	S$250,000
Singapore Airlines Limited		
Ordinary shares		
Ko Kai Kwun Miguel	117,500	80,000
Lee Ching Yen Stephen	26,500	25,500
Leong Wai Leng	9,800	9,800
S$600 million 3.16% Fixed Rate Notes due 2023		
Wong Kan Seng	S$500,000	–
Ko Kai Kwun Miguel	S$500,000	–
Leong Wai Leng	S$250,000	–
S$750 million 3.03% Bond due 2024		
Ko Kai Kwun Miguel	S$250,000	S$250,000
Professor Cheong Koon Hean	S$20,000	S$20,000

Directors' Interests in Shares or Debentures (continued)

	Holdings in the name of the director, spouse and/or children	
	At beginning of the year/date of appointment	**At end of the year**
Related Corporations (continued)		
Singapore Airlines Limited (continued)		
S$700 million 3.035% Fixed Rate Notes due 2025		
Ko Kai Kwun Miguel	S$250,000	S$250,000
S$630 million 3.13% Bond due 2026		
Ko Kai Kwun Miguel	S$250,000	–
S$700 million 3.13% Fixed Rate Notes due 2027		
Professor Cheong Koon Hean	S$250,000	S$250,000
S$6.197 billion Mandatory Convertible Bonds due 2030		
Leong Wai Leng	S$20,482	S$5,121
Singapore Technologies Engineering Ltd		
Ordinary shares		
Ko Kai Kwun Miguel	70,500	70,500
Singapore Technologies Telemedia Pte Ltd		
S$450 million 4.05% Notes due 2025		
Wong Kan Seng	S$250,000	S$250,000
Professor Cheong Koon Hean	S$250,000	S$250,000
Leong Wai Leng	S$250,000	S$250,000
Singapore Telecommunications Limited		
Ordinary shares		
Ko Kai Kwun Miguel	34,715	34,715
Lee Ching Yen Stephen	3,463	3,463
Professor Cheong Koon Hean	1,490	1,490
Teo Juet Sim Juliet	190	190
Leong Wai Leng	22,027	22,027
Yap Neng Tong	380	380

Directors' Interests in Shares or Debentures (continued)

	Holdings in the name of the director, spouse and/or children	
Related Corporations (continued)	**At beginning of the year/date of appointment**	**At end of the year**
SingPost Group Treasury Pte. Ltd.		
S$250 million 4.350% Subordinated Perpetual Securities		
Wong Kan Seng	S$250,000	S$250,000
Singtel Group Treasury Pte. Ltd.		
S$1 billion 3.30% Subordinated Perpetual Securities		
Wong Kan Seng	S$250,000	S$250,000
StarHub Ltd		
Ordinary shares		
Ko Kai Kwun Miguel	66,600	66,600
Leong Wai Leng	36,000	36,000
STT GDC Pte. Ltd.		
S$400 million 3.13% Notes due 2028		
Leong Wai Leng	S$500,000	S$500,000
Surbana Jurong Private Limited		
S$350 million 4.11% Notes due 2025		
Professor Cheong Koon Hean	S$250,000	S$250,000
S$250 million 2.48% Sustainability-Linked Notes due 2031		
Professor Cheong Koon Hean	S$250,000	S$250,000

Directors' Interests in Shares or Debentures (continued)

	Holdings in the name of the director, spouse and/or children	
	At beginning of the year/date of appointment	**At end of the year**
Related Corporations (continued)		
Temasek Financial (IV) Private Limited		
S$500 million 2.70% Notes due 2023		
Professor Cheong Koon Hean	S$6,000	–
Teo Juet Sim Juliet	S$6,000	–
S$500 million 1.8% guaranteed Notes due 2026		
Leong Wai Leng	S$30,000	S$30,000
Vertex Venture Holdings Pte Ltd		
S$450 million 3.3% Bond due 2028		
Professor Cheong Koon Hean	S$250,000	S$250,000

Footnotes:

[1] *Awards made pursuant to the CapitaLand Investment Performance Share Plan 2021 (CLI PSP 2021).*

[2] *Awards made pursuant to the CapitaLand Investment Restricted Share Plan 2021 (CLI RSP 2021).*

[3] *Following the completion of the strategic restructuring of the investment management business of CapitaLand Group Pte. Ltd. (CL) and as further described in CLI introductory document dated 17 July 2021, the awards granted under CL's CapitaLand Performance Share Plan 2010 and CapitaLand Performance Share Plan 2020 (collectively, the CL PSP Awards) to certain employees of CLI and CL group companies have been replaced with shares under the CLI PSP 2021, which will vest progressively over three years in accordance with the original vesting schedule of the CL PSP Awards. The release will be made partly in the form of shares and partly in the form of cash.*

[4] *The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 200% of the baseline award. The Executive Resource and Compensation Committee (ERCC) of CLI has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. The release will be made party in the form of shares and partly in the form of cash.*

Directors' Interests in Shares or Debentures (continued)

Footnotes: (continued)

[5] *The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 300% of the baseline award. The ERCC of CLI has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. The release will be made partly in the form of shares and partly in the form of cash.*

[6] *This is a long-term share-based award which will vest after the end of a 5-year performance period, subject to the achievement of the targets approved by the ERCC of CLI. The number of shares to be released as soon as practicable upon vesting will be determined based on, inter alia, the award multiplied by an achievement factor. If the minimum performance level is achieved, the achievement factor will be 0.2. If the performance level exceeds minimum but is below superior, the achievement factor will be adjusted accordingly within the range of 0.2 to 3.0. If the performance level is superior and above, the achievement factor will be 3.0. Conversely, if the performance level is below minimum, the achievement factor will be zero and no share will be released. In the event of early achievement of the targets within the first three years of the performance period, a maximum of 20% to 50% of the baseline award can be released after the third year, with any balance in excess of 50% of the baseline award to be released only after the fifth year. The ERCC of CLI has the absolute discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors.*

[7] *The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of three years. Depending on the extent of the achievement of the pre-determined targets at the end of the performance period, the ERCC of CLI has the discretion to release the final number of shares ranging from between 0% to 150% of the baseline award. On the final vesting, an additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the restricted share plan will also be released.*

[8] *Being unvested two-thirds of the award. On the final vesting, an additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the restricted share plan will also be released.*

[9] *Two different vesting periods: (1) time-based awards with 100% vesting on 1 March 2024 for selected senior management as part of their remuneration package; and (2) time-based awards which will vest equally over three years starting from 1 March 2024 for selected senior management new hires.*

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures or options of the Company or of related corporations either at the beginning of the financial year, date of appointment, if later, or at the end of the financial year.

Arrangements to enable directors to acquire shares and debentures

Except as disclosed under the Directors' Interests in Shares or Debentures and Share Plans sections of this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share Plans - Performance Share Plans and Restricted Share Plans

Share Plans of the Company

The Group's employees participate in the share-based incentive plans of the Company, CapitaLand Group Pte. Ltd. (formerly known as CapitaLand Limited) which comprise the Performance Share Plan (CL PSP) and Restricted Share Plan (CL RSP).

Pursuant to the strategic restructuring in 2021, the Executive Resource and Compensation Committee of the Company (ERCC of CL) had approved the following in relation to the unvested share award payout of the Company's Share Plans as at 17 September 2021:

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

(b) The outstanding CL RSP awards were converted to cash-settled based awards 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 to eligible employees according to the original vesting schedule of the CL RSP awards.

Share Plans of CapitaLand Investment Limited (CLI)

The ERCC of CLI has been designated as the Committee responsible for the administration of the Share Plans.

The CLI Performance Share Plan 2021 (CLI PSP 2021) and CLI Restricted Share Plan 2021 (CLI RSP 2021) were approved by CL, the immediate holding company of CLI on 17 July 2021. The duration of each share plan is 10 years commencing on 1 September 2021.

The ERCC of CLI has instituted a set of share ownership guidelines for members of senior management who receive shares under the CLI Restricted Share Plans and CLI Performance Share Plans. Under these guidelines, members of senior management are required to retain a portion of the total number of CLI shares received under the aforementioned share-based plans, which will vary according to their respective job grade and salary.

Share Plans - Performance Share Plans and Restricted Share Plans (continued)

Share Plans of CapitaLand Investment Limited (CLI) (continued)

The total number of new shares which may be allotted, issued and/or delivered pursuant to awards granted under the share plans on any date, when aggregated with existing shares (including treasury shares and cash equivalents) delivered and/or to be delivered, pursuant to the CLI Share Plans and all shares, options or awards granted under any other share schemes of CLI then in force, shall not exceed 8% of the total number of issued shares (excluding treasury shares) from time to time.

Details of awards granted under each CLI Share Plan are provided in the following sections:

(a) Awards under the CLI Performance Share Plans (CLI PSP)

Under the CLI PSP, the awards granted are conditional on performance targets set based on medium-term corporate objectives. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon CLI Group achieving prescribed performance target(s).

The ERCC of CLI grants an initial number of shares (baseline award) which are conditional on targets set for a performance period, currently prescribed to be a three-year performance period. A specified number of shares will only be released by the ERCC of CLI to the recipients at the end of the qualifying performance period, provided the threshold targets are achieved. The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award can be delivered up to a maximum of 300% of the baseline award. The ERCC of CLI 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 delivered in a combination of 75% in ordinary shares and 25% in their equivalent cash value, at no cost.

Performance conditions	Final number of shares to be released
1. CLI Group's absolute total shareholder return measured as a multiple of cost of equity 2. CLI Group's relative total shareholder return ranking against a peer group of selected companies 3. CLI Group's return on equity 4. Group's carbon emissions intensity reduction performance	0% to 300% of baseline award

Share Plans - Performance Share Plans and Restricted Share Plans (continued)

Share Plans of CapitaLand Investment Limited (CLI) (continued)

(a) Awards under the CLI Performance Share Plans (CLI PSP) (continued)

Details of the movement in the awards of CLI during the year were as follows:

	Balance as at 1 January 2023		<----- Movements during the year ----->			Balance as at 31 December 2023	
			Granted	Released	Lapsed/ Cancelled		
Year of award	**No. of holders**	**No. of shares**	**No. of shares**	**No. of shares**	**No. of shares**	**No. of holders**	**No. of shares**
2021	59	17,589,005	–	(7,667,275)*	(949,287)	52	8,972,443
2022	62	3,304,723	–	–	(132,538)	56	3,172,185
2023	–	–	3,713,431	–	(65,013)	76	3,648,418
		20,893,728	3,713,431	(7,667,275)	(1,146,838)		15,793,046^

* *The number of shares released comprised shares under CL PSP awards, which were converted to CLI shares under CLI PSP in October 2021.*

^ *The number of shares comprised in awards granted under the CLI PSP comprised 13,829,649 (2022: 16,645,394) shares granted to the employees of the CLI Group and 1,963,397 (2022: 4,248,334) shares granted to the employees of its immediate holding company and its related corporations.*

(b) Special CLI Founders Performance Share Plan Award (Special PSP)

Pursuant to the CLI PSP, the Special PSP award granted to selected key executives of the CLI Group, its immediate holding company and its related corporations is conditional on a performance target based on longer term wealth creation objectives. Participants will receive a specified number of performance shares after the end of the performance period conditional on achievement of performance conditions.

The ERCC of CLI grants an initial number of shares (baseline award) which are conditional on the target of the CLI's share price expressed as a multiple of the CLI 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 of CLI 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 of CLI has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

As a hiring strategy, such one-time special contingent award may (at the discretion of the ERCC of CLI) also be extended to key executives joining the CLI Group, its immediate holding company and its related corporations on a date after 1 October 2021 but not later than 19 September 2022.

Share Plans - Performance Share Plans and Restricted Share Plans (continued)

Share Plans of CapitaLand Investment Limited (CLI) (continued)

(b) Special CLI Founders Performance Share Plan Award (Special PSP) (continued)

Details of the movement in the awards of CLI during the year were as follows:

	Balance as at 1 January 2023		<----- Movements during the year -----> Granted	Lapsed/ Cancelled	Balance as at 31 December 2023	
Year of award	**No. of holders**	**No. of shares**	**No. of shares**	**No. of shares**	**No. of holders**	**No. of shares**
2022	109	14,251,125	–	(1,126,430)	102	13,124,695
2022	4	407,366	–	–	4	407,366
		14,658,491	–	(1,126,430)		13,532,061^

^ *The number of shares comprised in contingent awards granted under the Special PSP award comprised 11,771,509 (2022: 12,391,413) shares granted to the employees of the CLI Group and 1,760,552 (2022: 2,267,078) shares granted to the employees of its immediate holding company and its related corporations.*

(c) Awards under the CLI Restricted Share Plans (CLI RSP)

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

Time-based RSP awards were granted in 2023 to selected senior management as part of their remuneration package. The shares were granted pursuant to the CLI RSP and shall vest over one, two or three years, subject to service conditions. Participants will receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

There is no grant of performance-based RSP awards in 2023 to employees of CLI. Instead, the awards have been incorporated into the annual performance bonus where a part of the bonus declared is delivered in the form of deferred shares. Such deferred shares will be granted to eligible employees after the end of the financial year under review pursuant to the CLI RSP. One-third of the award will vest immediately and the remaining two-thirds of the award will vest over the following two years in equal annual tranches, subject to service conditions. Participants can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

Share Plans - Performance Share Plans and Restricted Share Plans (continued)

Share Plans of CapitaLand Investment Limited (CLI) (continued)

(c) Awards under the CLI Restricted Share Plans (CLI RSP) (continued)

Details of the movement in the awards of CLI during the year were as follows:

	Balance as at 1 January 2023		<----- Movements during the year -----> Granted	Released+	Lapsed/ Cancelled	Balance as at 31 December 2023	
Year of award	**No. of holders**	**No. of shares**	**No. of shares**	**No. of shares**	**No. of shares**	**No. of holders**	**No. of shares**
2022	1,110	8,615,632	–	(2,128,322)	(2,481,855)	1,010	4,005,455
2023	–	–	810,086	(178,928)	–	5	631,158
		8,615,632	810,086^	(2,307,250)	(2,481,855)		4,636,613#

\+ *The number of shares released during the year was 2,307,250, of which 408,004 were cash-settled.*

^ *Comprised 631,158 (2022: 8,969,551) shares granted to employees of the CLI Group, Nil (2022: 10,896) shares granted to employees of related corporations and 178,928 (2022: 68,235) shares granted to non-executive directors of CLI.*

\# *The number of shares comprised in contingent awards granted under CLI RSP comprised 3,875,101 (2022: 6,950,531) shares to be equity-settled and 761,512 (2022: 1,665,101) shares to be cash-settled.*

Share Options

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Wong Kan Seng
Director

Ko Kai Kwun Miguel
Director

Singapore
28 March 2024

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Singapore 018961

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Independent auditors' report

To the Member of CapitaLand Group Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CapitaLand Group Pte. Ltd. (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 2023, 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 material accounting policy information, as set out on pages FS1 to FS133.

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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2023 and 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.

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 and will 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) and IFRS, 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.

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.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 March 2024

Balance Sheets
As at 31 December 2023

	Note	The Group 31 Dec 2023 $'M	The Group 31 Dec 2022 $'M	The Company 31 Dec 2023 $'M	The Company 31 Dec 2022 $'M
Non-current assets					
Property, plant and equipment	3	1,681	1,615	3	3
Intangible assets	4	1,195	1,159	#	#
Investment properties	5	19,099	20,907	–	–
Subsidiaries	6	–	–	15,355	15,408
Associates	7	10,543	10,692	–	–
Joint ventures	8	5,399	5,509	–	–
Deferred tax assets	9	581	573	#	#
Other non-current assets	10(a)	1,925	1,455	–	–
		40,423	41,910	15,358	15,411
Current assets					
Development properties for sale and stocks	11	6,332	6,963	–	–
Trade and other receivables	12	2,382	2,454	493	531
Other current assets	10(b)	653	398	152	–
Assets held for sale	15	1,602	415	–	–
Cash and cash equivalents	16	5,019	5,339	16	4
		15,988	15,569	661	535
Less: current liabilities					
Trade and other payables	17	5,016	5,374	196	199
Contract liabilities	27(b)	865	412	–	–
Short term borrowings	19	2,229	2,601	–	–
Current portion of debt securities	20	738	360	–	–
Current tax payable		2,295	2,893	2	2
Liabilities held for sale	15	632	118	–	–
		11,775	11,758	198	201
Net current assets		4,213	3,811	463	334
Less: non-current liabilities					
Long term borrowings	19	13,920	13,816	–	–
Debt securities	20	4,193	4,210	–	–
Deferred tax liabilities	9	958	1,067	–	–
Other non-current liabilities	21	519	275	5,456	5,939
		19,590	19,368	5,456	5,939
Net assets		25,046	26,353	10,365	9,806
Representing:					
Share capital	23	3,468	3,468	3,468	3,468
Revenue reserve		10,935	11,474	6,893	6,331
Other reserves	24	(999)	(498)	4	7
Equity attributable to owners of the Company		13,404	14,444	10,365	9,806
Perpetual securities	25	897	897	–	–
Non-controlling interests	6	10,745	11,012	–	–
Total equity		25,046	26,353	10,365	9,806

Less than $1 million

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

Consolidated Income Statement
Year ended 31 December 2023

		The Group	
		2023	**2022**
	Note	**$'M**	**$'M**
Revenue	27	4,835	5,193
Cost of sales		(3,220)	(3,370)
Gross profit		1,615	1,823
Other operating income	28(a)	331	1,010
Administrative expenses		(645)	(610)
Other operating expenses		(518)	(244)
Profit from operations		783	1,979
Finance costs	28(d)	(851)	(744)
Share of results (net of tax) of:			
- associates		260	451
- joint ventures		287	380
		547	831
Profit before tax	28	479	2,066
Tax expense	29	(287)	(561)
Profit for the year		192	1,505
Attributable to:			
Owners of the Company		(92)	862
Non-controlling interests		284	643
Profit for the year		192	1,505

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

Consolidated Statement of Comprehensive Income
Year ended 31 December 2023

	Note	The Group 2023 $'M	The Group 2022 $'M
Profit for the year		192	1,505
Other comprehensive income:			
Items that 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		(550)	(1,365)
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss		56	(8)
Effective portion of change in fair value of cash flow hedges		(98)	203
Recognition of hedging reserve in profit or loss		(18)	(32)
Share of other comprehensive income of associates and joint ventures		(190)	(564)
Items that will not be reclassified subsequently to profit or loss			
Change in fair value of equity investments at fair value through other comprehensive income		(12)	(40)
Total other comprehensive income for the year, net of tax	26	(812)	(1,806)
Total comprehensive income for the year		(620)	(301)
Attributable to:			
Owners of the Company		(651)	(229)
Non-controlling interests		31	(72)
Total comprehensive income for the year		(620)	(301)

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

Consolidated Statement of Changes in Equity
Year ended 31 December 2023

	Attributable to owners of the Company										
	Share capital $'M	Revenue reserve $'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
The Group											
At 1 January 2023	3,468	11,474	349	116	29	3	(995)	14,444	897	11,012	26,353
Total comprehensive income											
Loss for the year	–	(92)	–	–	–	–	–	(92)	–	284	192
Other comprehensive income											
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	–	–	–	–	(405)	(405)	–	(145)	(550)
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss	–	–	–	–	–	–	30	30	–	26	56
Effective portion of change in fair value of cash flow hedges	–	–	–	(64)	–	–	–	(64)	–	(34)	(98)
Recognition of hedging reserve in profit or loss	–	–	–	(3)	–	–	–	(3)	–	(15)	(18)
Share of other comprehensive income of associates and joint ventures	–	–	–	(21)	(4)	–	(83)	(108)	–	(82)	(190)
Change in fair value of equity investment at fair value through other comprehensive income	–	–	–	–	(9)	–	–	(9)	–	(3)	(12)
Total other comprehensive income, net of tax	–	–	–	(88)	(13)	–	(458)	(559)	–	(253)	(812)
Total comprehensive income	–	(92)	–	(88)	(13)	–	(458)	(651)	–	31	(620)

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

Consolidated Statement of Changes in Equity (continued)
Year ended 31 December 2023

	Attributable to owners of the Company										
	Share capital $'M	Revenue reserve $'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											
Contributions from non-controlling interests (net)	–	–	–	–	–	–	–	–	–	371	371
Dividends paid/payable	–	(416)	–	–	–	–	–	(416)	–	(499)	(915)
Reclassification of equity compensation reserve	–	–	–	–	–	–	–	–	–	–	–
Distribution attributable to perpetual securities	–	(21)	–	–	–	–	–	(21)	32	(11)	–
Distribution paid to perpetual securities	–	–	–	–	–	–	–	–	(32)	–	(32)
Reclassification of other capital reserve	–	(1)	1	–	–	–	–	–	–	–	–
Share-based payments	–	–	18	–	–	–	–	18	–	15	33
Total contributions by and distributions to owners	–	(438)	19	–	–	–	–	(419)	–	(124)	(543)
Changes in ownership interests in subsidiaries and other capital transactions											
Changes in ownership interests in subsidiaries with a change in control	–	1	–	–	–	–	–	1	–	(32)	(31)
Changes in ownership interests in subsidiaries with no change in control	–	9	5	#	#	(3)	38	49	–	(120)	(71)
Share of reserves of associates and joint ventures	–	#	–	–	–	–	–	#	–	(2)	(2)
Others	–	(19)	(5)	–	–	–	4	(20)	–	(20)	(40)
Total changes in ownership interests in subsidiaries and other capital transactions	–	(9)	#	#	#	(3)	42	30	–	(174)	(144)
Total transactions with owners	–	(447)	19	#	#	(3)	42	(389)	–	(298)	(687)
At 31 December 2023	3,468	10,935	368	28	16	–	(1,411)	13,404	897	10,745	25,046

\# *Less than $1 million*

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

Consolidated Statement of Changes in Equity (continued)
Year ended 31 December 2023

	Attributable to owners of the Company										
	Share capital $'M	**Revenue reserve $'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**
The Group											
At 1 January 2022	3,468	11,075	305	(3)	66	3	174	15,088	897	11,774	27,759
Total comprehensive income											
Profit for the year	–	862	–	–	–	–	–	862	–	643	1,505
Other comprehensive income											
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	–	–	–	–	(841)	(841)	–	(524)	(1,365)
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss	–	–	–	–	–	–	(5)	(5)	–	(3)	(8)
Effective portion of change in fair value of cash flow hedges	–	–	–	109	–	–	–	109	–	94	203
Recognition of hedging reserve in profit or loss	–	–	–	(17)	–	–	–	(17)	–	(15)	(32)
Share of other comprehensive income of associates and joint ventures	–	–	–	27	(1)	–	(327)	(301)	–	(263)	(564)
Change in fair value of equity investment at fair value through other comprehensive income	–	–	–	–	(36)	–	–	(36)	–	(4)	(40)
Total other comprehensive income, net of tax	–	–	–	119	(37)	–	(1,173)	(1,091)	–	(715)	(1,806)
Total comprehensive income	–	862	–	119	(37)	–	(1,173)	(229)	–	(72)	(301)

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

Consolidated Statement of Changes in Equity (continued)
Year ended 31 December 2023

	Attributable to owners of the Company										
	Share capital $'M	Revenue reserve $'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											
Contributions from non-controlling interests (net)	–	–	–	–	–	–	–	–	–	218	218
Dividends paid/payable	–	(452)	–	–	–	–	–	(452)	–	(549)	(1,001)
Reclassification of equity compensation reserve	–	(2)	2	–	–	–	–	–	–	–	–
Distribution attributable to perpetual securities	–	(21)	–	–	–	–	–	(21)	32	(11)	–
Distribution paid to perpetual securities	–	–	–	–	–	–	–	–	(32)	–	(32)
Share-based payments	–	–	32	–	–	–	–	32	–	20	52
Total contributions by and distributions to owners	–	(475)	34	–	–	–	–	(441)	–	(322)	(763)
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	–	30	2	#	1	#	4	37	–	(144)	(107)
Share of reserves of associates and joint ventures	–	#	#	–	–	–	#	#	–	(1)	(1)
Others	–	(18)	8	–	(1)	–	–	(11)	–	7	(4)
Total changes in ownership interests in subsidiaries and other capital transactions	–	12	10	#	–	–	4	26	–	(368)	(342)
Total transactions with owners	–	(463)	44	#	–	–	4	(415)	–	(690)	(1,105)
At 31 December 2022	3,468	11,474	349	116	29	3	(995)	14,444	897	11,012	26,353

\# *Less than $1 million*

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

Consolidated Statement of Cash Flows
Year ended 31 December 2023

	2023 $'M	2022 $'M
Cash flows from operating activities		
Profit for the year	192	1,505
Adjustments for:		
Allowance for:		
- impairment loss on receivables	80	78
- foreseeable losses (net of utilisation)	174	64
- Impairment / (writeback of impairment) on interest in a joint venture	3	(6)
- impairment of other assets	24	–
Amortisation of intangible assets	20	16
Depreciation of property, plant and equipment and right-of-use assets	182	189
Dividend income	(8)	(37)
Finance costs	851	744
Gain on disposal of equity investment fair value through profit or loss	(10)	–
Gain on disposal of investment properties	(24)	(14)
Interest income	(145)	(115)
Impairment and write off of property, plant and equipment	2	1
Gain on right-of-use assets lease remeasurement / modification	#	(4)
Net change in fair value of investment properties	341	(509)
Net change in fair value of derivative instruments	18	(34)
Net change in fair value of financial assets designated as fair value through profit or loss	23	39
Net gain from change of ownership interests in subsidiaries, associates and joint ventures	(41)	(215)
Share of results of associates and joint ventures	(547)	(831)
Share-based expenses	69	89
Tax expense	287	561
	1,299	16
Operating profit before working capital changes	1,491	1,521
Changes in working capital:		
Trade and other receivables	(103)	35
Development properties for sale	333	(287)
Contract assets	(299)	(270)
Trade and other payables	(170)	(182)
Contract liabilities	482	(187)
Loans to credit customers	(16)	–
Loans from banks	9	–
Restricted bank deposits	150	(102)
	386	(993)
Cash generated from operations	1,877	528
Taxation paid	(716)	(526)
Net cash generated from operating activities	1,161	2

Less than $1 million

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

Consolidated Statement of Cash Flows (continued)
Year ended 31 December 2023

	Note	2023 $'M	2022 $'M
Cash flows from investing activities			
Acquisition/Development expenditure of investment properties		(1,142)	(1,904)
Acquisition of subsidiaries, net of cash acquired	31(b)	(47)	(242)
Deposits placed for acquisition of investment properties		(75)	(193)
Deposits received for disposal of investment property/subsidiaries		248	–
Disposal of subsidiaries, net of cash disposed of	31(d)	365	723
Dividends received from associates, joint ventures and other investments		557	507
Interest income received		99	87
Net (increase) / decrease in investment or loans to associates, joint ventures and other investments		(725)	213
Proceeds from disposal of / (Investments in) other financial assets		25	(41)
Proceeds from disposal of investment properties		140	18
Purchase of intangible assets and property, plant and equipment		(124)	(170)
Settlement of hedging instruments		59	85
Net cash used in investing activities		(620)	(917)
Cash flows from financing activities			
Loans from / (Repayment of loans) to non-controlling interests		84	(52)
Contributions from non-controlling interests		309	87
Dividends paid to non-controlling interests		(499)	(549)
Distributions to perpetual securities holders		(32)	(32)
Dividends paid to shareholders		(416)	(452)
Amount paid to former shareholders of subsidiaries		–	(153)
Interest expense paid		(784)	(713)
(Repayment of loans to)/ Loans from associates and joint ventures		(37)	152
Payment for acquisition of ownership interests in subsidiaries with no change in control		(14)	–
Placement of bank deposits pledged for bank facilities		(7)	–
Proceeds from bank borrowings		7,762	4,734
Proceeds from issuance of debt securities		849	977
Repayments of lease liabilities		(126)	(131)
Repayments of bank borrowings		(7,258)	(5,866)
Repayments of debt securities		(463)	(1,171)
Net cash used in financing activities		(632)	(3,169)
Net decrease in cash and cash equivalents		(91)	(4,084)
Cash and cash equivalents at beginning of the year		5,128	9,556
Effect of exchange rate changes on cash balances held in foreign currencies		(59)	(315)
Changes in cash and cash equivalents reclassified to assets held for sale		(27)	(29)
Cash and cash equivalents at end of the year	16	4,951	5,128

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 28 March 2024.

1 Domicile and activities

CapitaLand Group Pte. Ltd. (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 CLA Real Estate Holdings Pte. Ltd. (CLA) and Temasek Holdings (Private) Limited respectively, both companies incorporated in the Republic of Singapore.

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

The principal activities of the significant subsidiaries are those relating to investment holding, real estate development, investment in real estate financial products and real estate assets, investment advisory and management services as well as management of real estate assets.

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

2 Material 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 IFRS Accounting Standards. 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. The changes to material accounting policies are described in note 39.

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 about the future including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 an investee
Note 9	recognition of deferred tax assets
Note 2.2(a), Note 32	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, Note 34	determination of fair value of investment properties
Note 32	determination of fair value of assets, liabilities and contingent liabilities acquired in business combinations
Note 34	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 39 which address changes in accounting policies.

In addition, the Group adopted the Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than significant' accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in note 2 in certain instances.

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.

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.

Associates and joint ventures are accounted for using the equity method (collectively referred to as "equity-accounted investees") and are recognised initially at cost which 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 3.11. 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) 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.

(e) 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.

2.3 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.

2.4 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 3.2(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 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	Lease period ranging from 30 years 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 to 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.

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 proceeds and the carrying amount of the property.

Transfers to, or from, investment properties are made where there is a change in intent and use of the 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.

2.8 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 reserves along with the amount previously recognised in OCI relating to that asset.

(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.

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) cash flow hedge or (b) net investment hedge. The Group has not designated any hedge as a fair value 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 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.

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.

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.

Hedges directly affected by interest rate benchmark reform

<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.

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

The Group accounts for financial guarantee contracts as financial liabilities. Financial guarantees are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 Financial Instruments and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 Revenue from Contract with Customers.

Expected credit losses (ECLs) are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Liabilities arising from financial guarantees are included within borrowings.

(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 statement of financial positionn nLoss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Loss allowance for financial guarantee contracts are recognised as a financial liability to the extent that they exceed the initial carrying amount of the financial guarantee contracts less the cumulated income recognised.

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.

2.10 Development properties for sale and stocks

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.

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.

2.14 Leases

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 lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

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

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

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

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

Short-term leases and leases of low-value assets

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

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 it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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

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.

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.

The residential projects have no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the residential project. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

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.

Under certain payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer do not coincide and where the difference between the timing of receipt of the payments and the satisfaction of a performance obligation is 12 months or more, the entity adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the entity uses a discount rate that would reflect that of a separate financing transaction between the entity and its customer at contract inception. A finance income or finance expense will be recognised depending on the arrangement. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is 12 months or less.

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 the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced on a payment schedule and are typically triggered upon achievement of specified construction milestones. If the value of the goods transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

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.

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.

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.

2.16 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.

2.17 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.

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.

Global minimum top-up tax

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of SFRS(I) 1-12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

3 Property, Plant and Equipment

	The Group 2023 $'M	The Group 2022 $'M	The Company 2023 $'M	The Company 2022 $'M
Property, plant and equipment owned	1,065	1,058	3	3
Right-of-use assets classified within property, plant and equipment	616	557	#	#
	1,681	1,615	3	3

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 2023	993	105	9	499	9	1,615
Translation differences	(1)	(1)	#	1	#	(1)
Additions	10	34	#	32	23	99
Disposals/Written off	(1)	(8)	(1)	(27)	–	(37)
Reclassification from other categories of assets	(13)	(8)	–	(7)	–	(28)
Reclassifications	12	2	(1)	(11)	–	2
At 31 December 2023	1,000	124	7	487	32	1,650

	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 2023		116	44	8	389	#	557
Translation differences		#	#	#	2	–	2
Depreciation for the year	28(c)(ii)	25	16	#	38	–	79
Disposals/Written off		–	(8)	(1)	(25)	–	(34)
Reclassification to other categories of assets		(11)	(3)	–	(5)	–	(19)
Reclassifications		10	–	(1)	(9)	–	–
At 31 December 2023		140	49	6	390	#	585
Carrying amounts							
At 1 January 2023		877	61	1	110	9	1,058
At 31 December 2023		860	75	1	97	32	1,065

Less than $1 million

The Group	Land and buildings $'M	Plant, machinery and improvements $'M	Motor vehicles $'M	Furniture, fittings and equipment $'M	Assets under construction $'M	Total $'M
Cost						
At 1 January 2022	647	104	11	511	60	1,333
Translation differences	(57)	(8)	(1)	(32)	–	(98)
Additions	1	4	–	23	14	42
Disposals/Written off	–	(6)	(1)	(13)	–	(20)
Reclassification from other categories of assets	348	5	–	5	–	358
Reclassifications	54	6	–	5	(65)	–
At 31 December 2022	993	105	9	499	9	1,615

The Group	Note	Land and buildings $'M	Plant, machinery and improvements $'M	Motor vehicles $'M	Furniture, fittings and equipment $'M	Assets under construction $'M	Total $'M
Accumulated depreciation and impairment loss							
At 1 January 2022		98	37	10	384	#	529
Translation differences		(1)	(2)	(1)	(27)	–	(31)
Depreciation for the year	28(c)(ii)	19	15	#	44	–	78
Disposals/Written off		–	(6)	(1)	(12)	–	(19)
Reclassification to other categories of assets		#	#	–	#	–	#
At 31 December 2022		116	44	8	389	#	557
Carrying amounts							
At 1 January 2022		549	67	1	127	60	804
At 31 December 2022		877	61	1	110	9	1,058

Less than $1 million

(a) As at 31 December 2023, the carrying amounts of land and buildings comprise freehold land and buildings of $456 million (2022: $462 million) and leasehold land and buildings of $404 million (2022: $416 million).

(b) 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 lodging property in Ireland (2022: property in Singapore) from investment properties (note 5) with the plan to renovate, rebrand and operate as it as a full facility hotel. The Group also reclassified three lodging properties in Singapore and Australia to assets held for sale (note 15).

The Company	**Renovations and improvements $'M**	**Furniture, fittings and equipment $'M**	**Total $'M**
Cost			
At 1 January 2022, 31 December 2022 and 31 December 2023	2	10	12
Accumulated depreciation and impairment loss			
At 1 January 2022, 31 December 2022 and 31 December 2023*	2	7	9
Carrying amounts			
At 1 January 2022, 31 December 2022 and 31 December 2023	#	3	3

Less than $1 million

* *Depreciation for renovations and improvements as well as furniture, fittings and equipment for the financial years ended 31 December 2022 and 31 December 2023 was less than $1 million.*

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

	Note	Buildings $'M
The Group		
Cost		
At 1 January 2023		808
Translation differences		(5)
Additions		145
Termination of leases		16
At 31 December 2023		964
Accumulated depreciation		
At 1 January 2023		251
Translation differences		(1)
Depreciation for the year	28(c)(ii)	103
Expiry/Termination of leases		(5)
At 31 December 2023		348
Carrying amounts		
At 1 January 2023^		557
At 31 December 2023^		616
Cost		
At 1 January 2022		762
Translation differences		(44)
Additions		176
Termination of leases		(86)
At 31 December 2022		808
Accumulated depreciation		
At 1 January 2022		202
Translation differences		(15)
Depreciation for the year	28(c)(ii)	111
Expiry/Termination of leases		(47)
At 31 December 2022		251
Carrying amounts		
At 1 January 2022 ^		560
At 31 December 2022 ^		557

\# *Less than $1 million*

^ Right-of-use assets include motor vehicles with carrying amount less than $1 million as at 31 December 2022 and 31 December 2023.

4 Intangible Assets

	Note	Goodwill $'M	Management contracts@ $'M	Others^ $'M	Total $'M
The Group					
Cost					
At 1 January 2023		789	348	396	1,533
Additions		–	#	25	25
Acquisition of subsidiaries	31(b)	15	18	–	33
Written off		(14)	–	(60)	(74)
Reclassification from other categories of assets		–	#	(1)	(1)
Translation differences		(2)	#	#	(2)
At 31 December 2023		788	366	360	1,514
Accumulated amortisation and impairment loss					
At 1 January 2023		211	–	163	374
Amortisation for the year	28(c)(ii)	–	2	18	20
Written off		(14)	–	(60)	(74)
Reclassification from other categories of assets		–	–	#	#
Translation differences		(2)	2	(1)	(1)
At 31 December 2023		195	4	120	319
Carrying amounts					
At 1 January 2023		578	348	233	1,159
At 31 December 2023		593	362	240	1,195
Cost					
At 1 January 2022		762	318	298	1,378
Additions		–	25	102	127
Acquisition of subsidiaries	31(b)	49	8	–	57
Written off		–	–	(4)	(4)
Reclassification from other categories of assets		–	3	(2)	1
Translation differences		(22)	(6)	2	(26)
At 31 December 2022		789	348	396	1,533
Accumulated amortisation and impairment loss					
At 1 January 2022		223	–	153	376
Amortisation for the year	28(c)(ii)	–	–	16	16
Impairment for the year	28(c)(iii)	–	–	#	#
Written off		–	–	(4)	(4)
Reclassification from other categories of assets		–	–	(1)	(1)
Translation differences		(12)	–	(1)	(13)
At 31 December 2022		211	–	163	374
Carrying amounts					
At 1 January 2022		539	318	145	1,002
At 31 December 2022		578	348	233	1,159

^ *Others comprise trademarks, software and licences and club memberships. The additions in 2022 mainly relate to the purchase of trademark of a lodging platform.*
@ *Includes franchise agreements rising from the lodging platform.*
# *Less than $1 million*

(a) Impairment test for goodwill

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

	<--------- Key assumptions --------->					
	Terminal growth rates		Discount rates		Carrying value	
	2023	2022	2023	2022	2023	2022
	%	%	%	%	$'M	$'M
The Ascott Limited (Ascott)	1.1	0.5	6.9	6.3	417	417
Synergy Global Housing	2.4	2.0	11.0	12.0	5	5
TAUZIA Hotel Management (TAUZIA)	3.1	3.0	11.5	15.5	10	10
QSA Group Pty Ltd (QSA Group)	1.7	1.7	9.5	12.0	48	48
Ascendas-Singbridge (ASB)	1.0	1.0	6.9	6.3	49	49
Oakwood Worldwide (Asia) Pte. Ltd. (Oakwood)	2.4	2.0	10.0	12.5	49	49
Quest Apartment Hotels (NZ) Limited (Quest NZ)	2.0	–	13.0	–	15	–
The Work Project Kingdom Group					#	#
At 31 December					593	578

\# *Less than $1 million*

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

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. 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 31, goodwill of $15 million was recorded on the acquisition of Quest NZ in August 2023.

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 ten years. Cash flows beyond the third year are extrapolated using the estimated terminal growth rate of 1.0% (2022: 1.0%). The discount rate of 6.9% (2022: 6.3%) 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 and CapitaLand 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 6.0% to 8.0% (2022: 8.0% to 9.3%) and growth rate of 1.0% (2022: 1.0%) covering a ten-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.

5 Investment Properties

	Note	The Group 2023 $'M	The Group 2022 $'M
At 1 January		20,907	22,384
Acquisition of subsidiaries	31(b)	–	220
Disposal of subsidiaries	31(d)	(181)	(1,646)
Additions		817	2,099
Disposals		(115)	(43)
Reclassification to assets held for sale	15	(1,492)	(352)
Reclassifications to development properties for sale		40	(642)
Reclassification to property, plant and equipment		(69)	(358)
Changes in fair value	28(c)(iii) & 28(a)	(341)	509
Translation differences		(467)	(1,264)
At 31 December		19,099	20,907

(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, occupancy rate and gross development costs.

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 34.

Due to the uncertain future impact that the geopolitical events and macroeconomic factors such as global inflationary pressures and rising interest rates might have on the real estate market, the carrying amounts of the investment properties were current as at 31 December 2023 only. Values for certain properties may change more rapidly and significantly than during normal market conditions. Values for certain properties may change more rapidly and significantly than during normal market conditions.

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

The Group	**Retail $'M**	**Office $'M**	**Integrated development $'M**	**Lodging $'M**	**Business park, industrial, logistics and data centre $'M**	**Total $'M**
31 December 2023						
Singapore	91	–	493	848	2,631	4,063
China (includes Hong Kong)	321	1,017	2,464	287	1,355	5,444
Others*	1,414	46	51	7,727	354	9,592
	1,826	1,063	3,008	8,862	4,340	19,099
31 December 2022						
Singapore	98	–	483	912	2,317	3,810
China (includes Hong Kong)	914	1,461	2,682	544	1,611	7,212
Others*	1,310	51	257	7,637	630	9,885
	2,322	1,512	3,422	9,093	4,558	20,907

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

(c) As at 31 December 2023, investment properties valued at $1,530 million (2022: $2,066 million) were under development.

(d) As at 31 December 2023, certain investment properties with carrying value of approximately $12,019 million (2022: $12,974 million) were mortgaged to banks to secure credit facilities (notes 19 and 20).

(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:

	The Group	
	2023	**2022**
	$'M	**$'M**
Lease rentals receivable:		
Less than one year	540	580
One to two years	445	405
Two to three years	294	290
Three to four years	170	209
Four to five years	125	131
More than five years	471	551
	2,045	2,166

(f) Contingent rents, representing income based on sales turnover achieved by tenants, amounted to $17 million for the year ended 31 December 2023 (2022: $16 million).

(g) As at 31 December 2023, the right-of-use of the land and buildings that are classified within investment properties has a carrying amount of $467 million (2022: $473 million).

6 Subsidiaries

	The Company	
	2023	**2022**
	$'M	**$'M**
(a) Unquoted shares, at cost	12,602	12,602
Less:		
Allowance for impairment loss	(81)	(81)
	12,521	12,521
Add:		
Amounts due from subsidiaries, at amortised cost:		
Loan accounts (unsecured)		
- interest free	3,444	3,494
Less:		
Allowance for impairment loss on receivables	(610)	(607)
	2,834	2,887
	15,355	15,408

(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	
	2023	**2022**
	$'M	**$'M**
At 1 January	(81)	(151)
Write back of allowance for impairment loss	#	70
At 31 December	(81)	(81)

\# *Less than $1 million*

(iii) 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.

During the year ended 31 December 2023, the Company carried out a review of the recoverable amount of its investment in subsidiaries and recognised a write-back of impairment loss of $# (2022: $70 million) in respect of its investment in subsidiaries.

(iv) The Company's exposure to credit risk on the amounts due from subsidiaries is disclosed in note 33.

(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**	
	2023	**2022**
	%	**%**
Ascendas Pte Ltd	100	100
CapitaLand China Holdings Pte Ltd[1]	100	100
CapitaLand VN Limited	100	100
CapitaLand China Investments Limited	100	100
CapitaLand Singapore Limited	100	100
CapitaLand Treasury Limited	100	100
CapitaLand Investment Limited	52.8	52.7
CapitaLand Mall Asia Limited[2]	52.8	52.7
The Ascott Limited[2]	52.8	52.7
CapitaLand International Pte Ltd[2]	52.8	52.7

All the above subsidiaries are audited by KPMG LLP Singapore.

[1] *Indirectly held through CapitaLand China Investments Limited.*

[2] *Subsidiaries held by CapitaLand Investment Limited.*

(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) (collectively referred to as consolidated REITs), although the Group owns less than half of the ownership interest and voting power of the REITs. CLAS is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust and CapitaLand 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 and CapitaLand 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 to variable returns.

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

Name of Company	**Principal place of business**	**Effective interest held by NCI**	
		2023	**2022**
		%	**%**
CapitaLand Investment Limited and its Subsidiaries (CLI Group)	Singapore, China, other developed and developing countries	47.2	47.3

The above subsidiary is audited by KPMG LLP Singapore.

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The following table summarises the financial information of each of the Group's subsidiaries with material NCI, 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 information is before inter-company eliminations with other entities in the Group.

	CLI Group $'M	Other subsidiaries with individually immaterial NCI $'M	Total $'M
31 December 2023			
Revenue	2,784		
Profit after tax	333		
Other comprehensive income	(468)		
Total comprehensive income	(135)		
Attributable to NCI:			
- Profit	152	132	284
- Total comprehensive income	121	(90)	31
Current assets	4,447		
Non-current assets	29,686		
Current liabilities	(3,544)		
Non-current liabilities	(12,352)		
Net assets	18,237		
Net assets attributable to NCI	10,469	276	10,745
Cash flows from:			
- Operating activities	682		
- Investing activities	(187)		
- Financing activities[1]	(637)		
Net decrease in cash and cash equivalents	(142)		

[1] Includes dividends paid to NCI (158)

	CLI Group $'M	Other subsidiaries with individually immaterial NCI $'M	Total $'M
31 December 2022			
Revenue	2,876		
Profit after tax	1,070		
Other comprehensive income	(1,147)		
Total comprehensive income	(77)		
Attributable to NCI:			
- Profit	209	434	643
- Total comprehensive income	(13)	(59)	(72)
Current assets	4,421		
Non-current assets	30,689		
Current liabilities	(4,162)		
Non-current liabilities	(12,019)		
Net assets	18,929		
Net assets attributable to NCI	10,558	454	11,012
Cash flows from:			
- Operating activities	735		
- Investing activities	(382)		
- Financing activities[1]	(1,370)		
Net decrease in cash and cash equivalents	(1,017)		
[1] Includes dividends paid to NCI	(173)		

7 Associates

		The Group	
		2023 $'M	2022 $'M
(a)	Investment in associates	10,451	10,599
	Less:		
	Allowance for impairment	(3)	(3)
		10,448	10,596
	Add:		
	Amounts due from associates, at amortised cost:		
	Loan accounts- interest free	95	96
	Loan accounts- interest bearing	–	#
		10,543	10,692

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

	Note	The Group 2023 $'M	The Group 2022 $'M
At 1 January		(3)	(3)
Reversal of allowance during the year	28(a)	#	–
Translation differences		#	#
At 31 December		(3)	(3)

Less than $1 million

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

	Note	The Group 2023 $'M	The Group 2022 $'M
(b) Amounts due from associates:			
Current accounts (unsecured)			
- interest free (trade)		173	178
- interest free (non-trade)		127	131
		300	309
Less:			
Allowance for impairment loss on receivables	33(c)	(25)	(25)
Presented in trade and other receivables	12	275	284
Non-current loans (unsecured)			
- interest free		11	4
- interest bearing		383	317
Presented in other non-current assets	10	394	321

(i) The effective interest rates for amounts due from associates ranged from 3.00% to 5.50% (2022: 2.70% to 5.50%) per annum.

(ii) The Group and the Company's exposures to credit and currency risks, and impairment losses for trade and other receivables from associates, are disclosed in note 33.

	Note	The Group 2023 $'M	The Group 2022 $'M
(c) Amounts due to associates:			
Current accounts (mainly non-trade and unsecured)			
- interest free		(200)	(201)
- interest bearing		(65)	(68)
Presented in trade and other payables	17	(265)	(269)

The effective interest rates for amounts due to associates ranged from 3.55% to 3.65% (2022: 3.70%) per annum.

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

Name of Company	Nature of relationship with the Group	Principal place of business	Ownership interest 2023 %	Ownership interest 2022 %
CapitaLand Integrated Commercial Trust (CICT)[1]	Singapore-based REIT which invests in shopping malls and commercial properties in Singapore, Australia and Europe	Singapore	23.1	22.9
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 the United Kingdom	Singapore	17.5	18.2

[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 investments 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.

	CICT $'M	CLAR $'M	Other individually immaterial associates $'M	Total $'M
31 December 2023				
Revenue[1]	1,560	1,480		
Profit after tax	869	178		
Other comprehensive income	(74)	(67)		
Total comprehensive income	795	111		
Attributable to:				
- NCI	6	–		
- Associate's shareholders	789	111		
	795	111		
[1] Includes:				
- Rental and related income from investment properties				
Current assets	195	377		
Non-current assets	24,545	17,893		
Current liabilities	(1,454)	(1,603)		
Non-current liabilities	(8,884)	(6,446)		
Net assets	14,402	10,221		
Attributable to:				
- NCI	202	299		
- Associate's shareholders	14,200	9,922		
Carrying amount of interest in associates at beginning of the year	3,217	2,339		
Group's share of:				
- Profit	201	34	25	260
- Other comprehensive income	(17)	(12)	(118)	(147)
- Total comprehensive income	184	22	(93)	113
Dividends received during the year	(163)	(119)		
Capital contributions during the year	43	17		
Translation and other adjustments	(5)	(11)		
Carrying amount of interest in associates at end of the year	3,276	2,248	4,924	10,448
Fair value of effective ownership interest^	3,170	2,329		

^ Based on the quoted market prices at 31 December 2023.

	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 associates at beginning of the year	3,082	2,333		
Group's share of:				
- Profit	165	136	150	451
- Other comprehensive income	1	(26)	(381)	(406)
- Total comprehensive income	166	110	(231)	45
Dividends received during the year	(84)	(117)		
Capital contributions during the year	54	22		
Translation and other adjustments	(1)	(9)		
Carrying amount of interest in associates at end of the year	3,217	2,339	5,040	10,596
Fair value of effective ownership interest^	3,095	2,091		

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

(e) As at 31 December 2023, the Group's share of the contingent liabilities of the associates is $1 million (2022: $1 million).

8 Joint Ventures

		Note	The Group 2023 $'M	The Group 2022 $'M
(a)	Investment in joint ventures		5,013	5,047
	Less:			
	Allowance for impairment loss		(23)	(20)
			4,990	5,027
	Add:			
	Amounts due from joint ventures, at amortised cost:			
	Loan accounts			
	- interest free		383	397
	- interest bearing		39	98
	Less:			
	Allowance for impairment loss on receivables	33(c)	(13)	(13)
			409	482
			5,399	5,509

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

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

	Note	The Group 2023 $'M	The Group 2022 $'M
At 1 January		(20)	(26)
Allowance during the year	28(c)(iii)	(3)	(#)
Reversal of allowance during the year	28(a)	#	6
Translation differences		#	#
At 31 December		(23)	(20)

Less than $1 million

(iii) As at 31 December 2023, the effective interest rates for the interest-bearing loans to joint ventures ranged from 4.25% to 8.00% (2022: 4.25% to 8.00%) per annum.

(iv) Loan accounts include an amount of approximately $757 million (2022: $386 million), the repayment of which is subordinated to that of the external borrowings of certain joint ventures.

	Note	The Group 2023 $'M	The Group 2022 $'M
(b) Amounts due from joint ventures:			
Current accounts (unsecured)			
- interest free (trade)		58	68
- interest free (non-trade)		786	791
- interest bearing (mainly non-trade)		4	5
		848	864
Less:			
Allowance for impairment loss on receivables	33(c)	(28)	(28)
Presented in trade and other receivables	12	820	836
Non-current loans (unsecured)			
- interest free		197	13
- interest bearing		915	650
		1,112	663
Less:			
Allowance for impairment loss on receivables	33(c)	(4)	–
Presented in other non-current assets	10	1,108	663

(i) The effective interest rate for amounts due from joint ventures is at 1.8% (2022: 1.8% to 2.5%) per annum.

(ii) The Group and the Company's exposures to credit and currency risks, and impairment losses for trade and other receivables of joint ventures, are disclosed in note 33.

	Note	The Group 2023 $'M	The Group 2022 $'M
(c) Amounts due to joint ventures:			
Current accounts (unsecured)			
- interest free (mainly non-trade)		(405)	(588)
- interest bearing (non-trade)		(943)	(983)
Presented in trade and other payables	17	(1,348)	(1,571)

(i) The effective interest rates for amounts due to joint ventures ranged from 2.80% to 5.25% (2022: 3.65% to 5.25%) 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	Ownership interest 2023 %	2022 %
Orchard Turn Holding Pte Ltd[1,3] (OTH)	Owner of an integrated development in Singapore	Singapore	50.0	50.0
CapitaLand Shanghai Malls[2,3,4,5]	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 *Indirectly held through CapitaLand Mall Asia Limited.*
4 *Considered to be a joint venture as the Group has joint control over the relevant activities of the trust with the joint venture partners.*
5 *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.*

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 2023				
Revenue[1]	263	118		
Profit after tax[2]	207	(118)		
Other comprehensive income	(22)	(44)		
Total comprehensive income	185	(162)		
[1] Relates to rental and related income from investment properties				
[2] Includes:				
- depreciation and amortisation	(3)	#		
- interest income	6	6		
- interest expense	(54)	(69)		
- tax (expense)/income	(24)	8		
Current assets[3]	165	242		
Non-current assets	3,392	2,504		
Current liabilities[4]	(72)	(69)		
Non-current liabilities[5]	(1,657)	(1,192)		
Net assets	1,828	1,485		
[3] Includes cash and cash equivalents	159	142		
[4] Includes current financial liabilities (excluding trade and other payables and provisions)	(21)	(5)		
[5] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(1,657)	(1,110)		
Carrying amount of interest in joint ventures at beginning of the year	882	604		
Group's share of:				
- Profit/(Loss)	104	(59)	242	287
- Other comprehensive income	(11)	(22)	(11)	(44)
- Total comprehensive income	93	(81)	231	243
Dividends received during the year	(60)	–		
Translation and other adjustments	–	(8)		
	915	515	3,560	4,990
Shareholder loans	–	228	181	409
Carrying amount of interest in joint ventures at end of the year	915	743	3,741	5,399

Less than $1 million

	OTH Group $'M	CapitaLand Shanghai Malls $'M	Other individually immaterial joint ventures $'M	Total $'M
31 December 2022				
Revenue[1]	255	125		
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				
[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 ventures at beginning of the year	846	716		
Group's share of:				
- Profit/(Loss)	75	(11)	316	380
- Other comprehensive income	20	(109)	(69)	(158)
- Total comprehensive income	95	(120)	247	222
Dividends received during the year	(59)	–		
Translation and other adjustments	–	8		
	882	604	3,541	5,027
Shareholder loans	–	231	251	482
Carrying amount of interest in joint ventures at end of the year	882	835	3,792	5,509

Less than $1 million

(e) As at 31 December 2023, the Group's share of the capital commitments of the joint ventures is $1,205 million (2022: $1,613 million).

9 Deferred Tax

The movements in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) were as follows:

The Group	At 1/1/2023 $'M	Recognised in profit or loss $'M	Acquisition/ Disposal of subsidiaries $'M	Transfer to tax provision $'M	Transfer to Assets held for sale $'M	Translation differences $'M	At 31/12/2023 $'M
Deferred tax liabilities							
Accelerated tax depreciation	10	3	–	–	(10)	#	3
Accrued income and interest receivable	6	#	#	–	–	#	6
Profits recognised on percentage of completion and fair value adjustments on initial recognition of development properties for sale	289	(10)	–	–	(35)	(8)	236
Fair value adjustments arising from a business combination	89	#	5	–	–	(4)	90
Fair value changes of investment properties	496	(8)	–	(2)	(36)	(10)	440
Unremitted earnings	183	5	–	–	–	(2)	186
Right of use	–	178	–	–	–	–	178
Others	(6)	4	–	–	–	–	(2)
Total	1,067	172	5	(2)	(81)	(24)	1,137
Deferred tax assets							
Unutilised tax losses	(14)	4	–	–	–	#	(10)
Provisions and expenses	(496)	(39)	14	#	–	30	(491)
Fair value adjustments on initial recognition of development properties for sale	(14)	–	–	–	–	–	(14)
Deferred income	(1)	#	–	#	–	#	(1)
Lease Liability	–	(193)	–	–	–	#	(193)
Others	(58)	6	–	2	–	(1)	(51)
Total	(583)	(222)	14	2	–	29	(760)

\# *Less than $1 million*

The Group	At 1/1/2022 $'M	Recognised in profit or loss $'M	Acquisition/ Disposal of subsidiaries $'M	Transfer to tax provision $'M	Transfer to Assets held for sale $'M	Translation differences $'M	At 31/12/2022 $'M
Deferred tax liabilities							
Accelerated tax depreciation	21	(6)	–	–	(1)	(4)	10
Accrued income and interest receivable	4	2	–	–	–	–	6
Profits recognised on percentage of completion and fair value adjustments on initial recognition of development properties for sale	289	–	–	–	–	–	289
Fair value adjustments arising from a business combination	101	–	1	–	–	(13)	89
Fair value changes of investment properties	468	117	(30)	(2)	(39)	(18)	496
Unremitted earnings	175	8	–	–	–	–	183
Others	36	(29)	–	–	–	(13)	(6)
Total	1,094	92	(29)	(2)	(40)	(48)	1,067
Deferred tax assets							
Unutilised tax losses	(7)	(9)	–	1	–	1	(14)
Provisions and expenses	(520)	(19)	–	–	–	43	(496)
Fair value adjustments on initial recognition of development properties for sale	(14)	–	–	–	–	–	(14)
Deferred income	(1)	–	–	–	–	–	(1)
Others	(52)	(1)	–	–	–	5	(48)
Total	(594)	(29)	–	1	–	49	(573)

The Company	At 1/1/2022 $'M	Recognised in profit or loss $'M	At 31/12/2022 $'M	Recognised in profit or loss $'M	At 31/12/2023 $'M
Deferred tax assets					
Provisions	#	–	#	–	#

Less than $1 million

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The following amounts, determined after appropriate offsetting, are shown on the balance sheets:

	The Group		
	Gross Amount $'M	Offset $'M	Net Amount $'M
31 December 2023			
Deferred tax liabilities	1,137	(179)	958
Deferred tax assets	(760)	179	(581)

There was no offset of deferred tax liabilities and assets as of 31 December 2022.

As at 31 December 2023, deferred tax liabilities amounting to $13 million (2022: $11 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	
	2023 $'M	2022 $'M
Deductible temporary differences	126	200
Tax losses	1,959	1,693
Unutilised capital allowances	15	12
	2,100	1,905

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

Temporary differences would expire in the following periods:

	The Group	
Expiry period	**2023 $'M**	**2022 $'M**
No expiry	806	905
Not later than 1 year	83	47
Between 1 and 5 years	1,167	889
After 5 years	44	64
	2,100	1,905

10 Other Non-current/Current Assets

(a) Other non-current assets

	Note	The Group 2023 $'M	The Group 2022 $'M
Equity investments at FVOCI		126	151
Equity investments at FVTPL		133	145
Derivative financial instruments		91	143
Amounts due from:			
- associates	7(b)	394	321
- joint ventures	8(b)	1,108	663
- investee (interest free)		18	18
Loans to credit customers	(i)	16	–
Other receivables		31	6
Deposits		7	6
Prepayments		1	2
		1,925	1,455

(i) The effective interest rate for interest-bearing loans to credit customer ranged from 6.13% to 13.36% (2022: nil) per annum as at 31 December 2023.

(b) Other current assets

	Note	The Group 2023 $'M	The Group 2022 $'M	The Company 2023 $'M	The Company 2022 $'M
Equity investments at FVTPL	(i)	16	28	152	–
Derivative financial instruments		41	72	–	–
Contract costs	(ii)	27	28	–	–
Contract assets	(iii)	569	270	–	–
		653	398	152	–

(i) Equity investment at FVTPL for the Group relates to the Group's equity investment in Lai Fung.

Equity investment at FVTPL for the Company relates to equity investment in CLAS units.

(ii) Contract costs relate to commission fees paid to property agents and legal fees for securing sale contracts which were capitalised during the year. The capitalised costs are amortised when the related revenue is recognised. During the year, $44 million (2022: $45 million) was amortised and there was no impairment loss in relation to the costs capitalised.

(iii) Contract assets primarily related to the Group's rights to consideration for work completed but not billed at the reporting date on construction of development properties. Contract assets are transferred to trade receivables when the Company invoices the customer.

11 Development Properties for Sale and Stocks

		The Group	
		2023	**2022**
		$'M	**$'M**
(a)	Properties under development, units for which revenue is recognised over time		
	Land and land related cost	643	902
	Development costs	7	22
		650	924
	Allowance for foreseeable losses	(18)	(18)
		632	906
	Properties under development, units for which revenue is recognised at a point in time		
	Land and land related costs	2,358	2,928
	Development costs	586	1,345
		2,944	4,273
	Allowance for foreseeable losses	(199)	(112)
		2,745	4,161
	Properties under development	3,377	5,067
(b)	Completed development properties, at cost	3,360	2,237
	Allowance for foreseeable losses	(406)	(342)
	Completed development properties	2,954	1,895
(c)	Consumable stocks	1	1
	Total development properties for sale and stocks	6,332	6,963

(d) The Group recognises revenue over time for residential projects under progressive payment scheme in Singapore. The progress towards completing the construction is measured in accordance with the accounting policy stated in note 2.15. Significant assumptions are required in determining the stage of completion and the Group evaluates them by relying on the work of specialists.

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.

(e) As at 31 December 2023, development properties for sale amounting to approximately $2,521 million (2022: $2,613 million) were mortgaged to banks to secure credit facilities of the Group (note 19).

During the financial year, the following amounts were capitalised as cost of development properties for sale:

		The Group	
	Note	**2023**	**2022**
		$'M	**$'M**
Staff costs	28(b)	15	16
Interest costs paid/payable	28(d)	18	37
		33	53

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

		The Group	
	Note	**2023**	**2022**
		$'M	**$'M**
At 1 January		(472)	(447)
Allowances during the year	28(c)(i)	(253)	(120)
Utilisation during the year		79	56
Translation differences		23	39
At 31 December		(623)	(472)

12 Trade and Other Receivables

	Note	The Group 2023 $'M	The Group 2022 $'M	The Company 2023 $'M	The Company 2022 $'M
Trade receivables	13	389	352	#	2
Deposits and other receivables	14	604	578	2	1
Amounts due from:					
- subsidiaries	18	–	–	491	528
- associates	7(b)	275	284	–	–
- joint ventures	8(b)	820	836	–	–
- investee (non-trade)	(a)	112	117	–	–
Less: Allowance for impairment loss on receivables	33(c)	(112)	(38)	–	–
		–	79	–	–
- non-controlling interests (non-trade)	(b)	160	197	–	–
		2,248	2,326	493	531
Prepayments		134	128	#	#
		2,382	2,454	493	531

Less than $1 million

(a) Amount due from an investee is mainly unsecured, interest-free and was repayable on demand. Full provision has been made in 2023 as there is no reasonable expectation of recovery.

(b) Amounts due from non-controlling interests are mainly unsecured, interest-free and repayable on demand.

13 Trade Receivables

	Note	The Group 2023 $'M	The Group 2022 $'M	The Company 2023 $'M	The Company 2022 $'M
Trade receivables		435	410	#	2
Less: Allowance for impairment loss on receivables	33(c)	(46)	(58)	–	–
	12	389	352	#	2

Less than $1 million

The Group and the Company's exposures to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 33.

14 Deposits and Other Receivables

	Note	The Group 2023 $'M	The Group 2022 $'M	The Company 2023 $'M	The Company 2022 $'M
Deposits	(a)	297	190	#	#
Other receivables	(b)	315	400	2	1
Less: Allowance for impairment loss on receivables	33(c)	(26)	(25)	–	–
		289	375	2	1
Tax recoverable		18	13	–	–
	12	604	578	2	1

Less than $1 million

(a) Included in deposits are deposits paid for new residential developments of $256 million (2022: $131 million).

(b) Other receivables include consideration receivable of $22 million (2022: $42 million) for the divestment of associates and interest receivable of $21 million (2022: $16 million).

15 Assets/Liabilities Held for Sale

	Note	The Group 2023 $'M	The Group 2022 $'M
Property, plant and equipment		76	–
Investment properties	5, 34(c)	1,492	352
Other non-current assets		–	11
Trade and other receivables		8	23
Cash and cash equivalents		26	29
Assets held for sale		1,602	415
Trade and other payables		41	53
Borrowings		503	21
Current tax payable		–	4
Deferred tax liabilities	9	81	40
Other non-current liabilities		7	–
Liabilities held for sale		632	118

Details of assets and liabilities held are mainly as follows:

2023

(a) On 20 January 2023, the Group's subsidiaries entered into a sale and purchase agreement to divest their 100% stake in a company which hold Ascott Heng Shan Shanghai to an unrelated third party, for a consideration of approximately RMB1,088 million ($204 million). Accordingly, all assets and liabilities held by the company were reclassified to assets held for sale and liabilities held for sale respectively as at 31 December 2023. The divestment of Ascott Heng Shan Shanghai was completed in January 2024.

(b) On 3 November 2023, a wholly-owned subsidiary of the Group entered into a definitive agreement to divest its 100% stake in the companies which hold the property Vista Cluster to an unrelated third party, for a consideration of approximately VND1,601 billion (S$87.2 million). Accordingly, all assets and liabilities held by the companies were reclassified to assets held for sale and liabilities held for sale respectively as at 31 December 2023. The divestment of Vista Cluster is expected to be completed in 1H 2024.

(c) On 6 November 2023, the Group's subsidiary, CLAS announced the divestment of two hotel properties, Courtyard by Marriott Sydney-North Ryde and Novotel Sydney Paramatta to an unrelated third party, for a total consideration of AUD109 million ($96 million). Accordingly, the assets comprising mainly property, plant and equipment were reclassified to assets held for sale as at 31 December 2023. The divestment of Courtyard by Marriott Sydney-North Ryde was subsequently completed in January 2024, while divestment of Novotel Sydney Parramatta is expected to be completed in 3Q 2024.

(d) On 18 December 2023, CLAS announced the divestment of three hotels in Osaka, Japan, namely Hotel WBF Honmachi, Hotel WBF Kitasemba East and Hotel WBF Kitasemba West to an unrelated third party, for a total consideration of JPY10.7 billion ($100 million). Accordingly, the assets comprising mainly investment properties were reclassified to assets held for sale as at 31 December 2023. Divestment of the three properties is expected to be completed in March 2024.

(e) On 12 December 2023, a wholly-owned subsidiary of the Group entered into a sale and purchase agreement to divest its 95% stake in the company which hold the property Capital Square Beijing to an external investor. Post divestment, the Group continues to hold the remaining 5% stake in the company. Accordingly, all assets and liabilities held by the company were reclassified to assets held for sale and liabilities held for sale respectively as at 31 December 2023. The divestment of Capital Square Beijing was completed in January 2024.

(f) Pursuant to the planned divestment of a logistics centre in Osaka, Japan, to a core logistics Japan fund, the investment property was reclassified to assets held for sale as at 31 December 2023. The divestment was completed in January 2024 and the Group continues to hold a 2.7% stake in the property through its investment in the fund.

(g) Pursuant to the planned divestment of Citadines Mount Sophia Singapore, the assets comprising mainly investment property were reclassified to assets held for sale as at 31 December 2023. The divestment was completed on 1 March 2024.

(h) Pursuant to approval to divest at least 70% stake in CapitaMall Sky+ to an unrelated third party, all assets and liabilities held by the company were reclassified to assets held for sale and liabilities held for sale respectively as at 31 December 2023.

2022

(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) (formerly known as Ascendas India Trust) 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.

16 Cash and Cash Equivalents

		The Group		The Company	
	Note	2023 $'M	2022 $'M	2023 $'M	2022 $'M
Fixed deposits		1,620	1,883	–	–
Cash at banks and in hand		3,399	3,456	16	4
Cash and cash equivalents		5,019	5,339	16	4
Restricted bank deposits	(a)	(68)	(211)		
Cash and cash equivalents in the statement of cash flows		4,951	5,128		

(a) These include deposits placed in escrow account for bank balances of certain subsidiaries pledged in relation to banking facilities and 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) As at 31 December 2023, the Group's cash and cash equivalents of $507 million (2022: $248 million) were held under project accounts and withdrawals from which are designated for payments for expenditure incurred on projects.

(c) The Group's cash and cash equivalents are denominated mainly in Singapore Dollars, Chinese Renminbi, Japanese Yen, Vietnamese Dong and US Dollars. As at 31 December 2023, the effective interest rates for cash and cash equivalents denominated in these currencies ranged from 0% to 7.5% (2022: 0% to 8.2%) per annum.

The cash and cash equivalents are placed with banks and financial institutions which meet the appropriate credit criteria.

17 Trade and Other Payables

	Note	The Group 2023 $'M	The Group 2022 $'M	The Company 2023 $'M	The Company 2022 $'M
Trade payables		240	300	1	2
Accruals	(a)	891	836	9	10
Accrued development expenditure		970	966	–	–
Other payables	(b)	1,084	1,193	2	1
Rental and other deposits		123	150	–	–
Derivative financial instruments		3	4	–	–
Liability for employee benefits	22	62	56	6	4
Amounts due to:					
- subsidiaries	18	–	–	178	182
- associates	7(c)	265	269	–	–
- joint ventures	8(c)	1,348	1,571	–	–
- non-controlling interests (unsecured):					
- interest free		29	28	–	–
- interest bearing		1	1	–	–
		5,016	5,374	196	199

(a) As at 31 December 2023, accruals include accrued operating expenses of $502 million (2022: $463 million), accrued interest payable of $143 million (2022: $107 million) as well as accrued expenditure for tax and administrative expenses which are individually immaterial.

(b) Other payables include retention sums, amounts payable in connection with capital expenditure incurred.

As at 31 December 2022, other payables included a loan payable to an external shareholder of $233 million and deferred purchase consideration for acquisition of an investment amounting to $226 million. During the year, the loan to external shareholder was fully repaid and $184 million of the deferred purchase consideration was reclassified to non-current payables, based on the expected settlement date (see note 21 (b)).

18 Amounts Due from/(to) Subsidiaries

	Note	The Company 2023 $'M	The Company 2022 $'M
(a) Current			
Amounts due from subsidiaries:			
- current accounts, mainly trade		80	185
- loans			
- interest free		178	168
- interest bearing		299	227
		477	395
Less:			
Allowance for impairment loss on receivables		(66)	(52)
		411	343
	12	491	528
Current			
Amounts due to subsidiaries:			
- loans, interest free		(174)	(174)
- current accounts, mainly trade		(4)	(8)
	17	(178)	(182)

All balances with subsidiaries are unsecured and repayable on demand. The interest-bearing loans due from a subsidiary bore effective interest rate of 2.64% (2022: 2.43%) per annum.

The Company's exposure to credit risks for amounts due from subsidiaries are disclosed in note 33.

	Note	The Company 2023 $'M	The Company 2022 $'M
(b) Non-current			
Amounts due to subsidiaries (interest free)	21	(5,452)	(5,936)

All balances with subsidiaries are unsecured and not expected to be repaid within twelve months from 31 December 2023.

19 Borrowings

	Note	The Group 2023 $'M	The Group 2022 $'M
Bank borrowings			
- secured		5,667	7,221
- unsecured		9,349	8,097
		15,016	15,318
Lease liabilities	(d)	1,133	1,099
		16,149	16,417
Repayable:			
Not later than 1 year		2,229	2,601
Between 1 and 5 years		11,301	11,771
After 5 years		2,619	2,045
After 1 year		13,920	13,816
		16,149	16,417

(a) The Group's borrowings are denominated mainly in Singapore Dollars, Chinese Renminbi, Japanese Yen, Euro and US Dollars. As at 31 December 2023, the effective interest rates for bank borrowings denominated in these currencies ranged from 0.59% to 7.90% (2022: 0.44% to 6.52%) per annum.

(b) As at 31 December 2023, $1,980 million (2022: $2,127 million) of the Group's borrowings are sustainability-linked loans which are drawn down as part of the Group's sustainable financing.

Under the conditions of these loan agreements, loan margins vary accordingly to the achievements of the Group's sustainability performance targets that are benchmarked against Environmental, Social and Governance indicators, Global Real Estate Sustainability Benchmark rating or green building certifications.

(c) 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, development properties for sale, trade and other receivables and shares of certain subsidiaries of the Group; and

(ii) assignment of all rights, titles and benefits with respect to the properties mortgaged.

(d) Lease liabilities relate to the leases of property, plant and equipment (note 3) and investment properties (note 5).

(e) The reconciliation of liabilities arising from financing activities were as follows:

The Group	Note	At 1/1/2022 $'M	Financing cashflows * $'M	Acquisition of subsidiaries $'M	Disposal of subsidiaries@ $'M	Changes in fair value $'M	Foreign exchange movement $'M	Others $'M	At 31/12/2022 $'M
Bank borrowings		17,647	(1,132)	4	(728)	–	(489)	16	15,318
Debt securities	20	4,787	(194)	–	–	–	(23)	–	4,570
Lease liabilities	19	1,168	(131)	–	–	–	(42)	104	1,099
Derivative liabilities		71	61	–	–	(107)	–	(11)	14
Derivative assets		(95)	–	–	–	(96)	(51)	27	(215)

The Group	Note	At 1/1/2023 $'M	Financing cashflows * $'M	Acquisition of subsidiaries $'M	Disposal of subsidiaries@ $'M	Changes in fair value $'M	Foreign exchange movement $'M	Others $'M	At 31/12/2023 $'M
Bank borrowings		15,318	504	–	(598)	–	(226)	18	15,016
Debt securities	20	4,570	386	–	–	–	(25)	–	4,931
Lease liabilities	19	1,099	(126)	–	–	–	(9)	169	1,133
Derivative liabilities		14	21	–	–	14	–	(20)	29
Derivative assets		(215)	38	–	–	117	(72)	–	(132)

* *Cashflow from financing activities presented in the consolidated statement of cash flows include interest expense paid of $784 million (2022: $713 million) which are included under accruals, amounts due to associates, joint ventures and non-controlling interests – note 18 - trade and other payables. There are no material non-cash changes associated with interest payables.*

@ *Includes borrowings of $503 million (2022: $21 million) under liabilities held for sale.*

20 Debt Securities

	The Group 2023 $'M	The Group 2022 $'M
Secured notes and bonds	219	187
Unsecured notes and bonds	4,712	4,383
	4,931	4,570
Repayable:		
Not later than 1 year	738	360
Between 1 and 5 years	2,021	2,447
After 5 years	2,173	1,763
After 1 year	4,193	4,210
	4,931	4,570

(a) As at 31 December 2023, the effective interest rates for debt securities ranged from 0.55% to 4.41% (2022: 0.58% to 4.07%) per annum.

(b) Notes and bonds

The Group's notes and bonds are mainly issued by CapitaLand Ascott Trust,CapitaLand Malaysia Trust, CLI Treasury Limited, CapitaLand Treasury Limited and Ascendas Pte Ltd under their respective issuance programs. These notes and bonds were denominated mainly in Singapore Dollars, US 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 2023, the secured notes and bonds amounting to $219 million (2022: $187 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.

Sustainability-linked notes

As at 31 December 2023, $354 million (2022: $369 million) of the Group's debt securities were sustainability-linked notes issued by CLAS, as part of the Group's sustainable financing.

Under the conditions of these notes, interest rates vary accordingly to the achievements of CLAS' sustainability performance targets that are benchmarked against Environmental, Social and Governance indicators, or green building certifications.

21 Other Non-Current Liabilities

	Note	The Group 2023 $'M	The Group 2022 $'M	The Company 2023 $'M	The Company 2022 $'M
Amounts due to (unsecured):					
- associates (interest free)	(a)	9	9	–	–
- joint ventures (interest free)	(a)	–	7	–	–
- non-controlling interests (interest free)	(a)	126	73	–	–
Amounts due to subsidiaries	18(b)	–	–	5,452	5,936
Liability for employee benefits	22	25	25	4	3
Derivative financial instruments		26	10	–	–
Security deposits and other non-current payables	(b)	326	147	–	–
Deferred income		7	4	–	–
		519	275	5,456	5,939

(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) Other non-current payable included deferred purchase consideration for acquisition of investment amount to $184 million (2022: $Nil) reclassed from current payable during the year (see note 17(b)).

22 Employee Benefits

	Note	The Group 2023 $'M	The Group 2022 $'M	The Company 2023 $'M	The Company 2022 $'M
Liability for short term accumulating compensated absences		19	16	#	#
Liability for staff incentives	(a)	20	16	2	1
Liability for cash-settled share-based payments		48	49	8	6
		87	81	10	7
Current	17	62	56	6	4
Non-current	21	25	25	4	3
		87	81	10	7

\# *Less than $1 million*

(a) Staff incentives

This relates to staff incentives which are 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 Company

The Executive Resource, Nominating and Compensation Committee (ERNCC) members at the date of this statement are Mr Lee Ching Yen Stephen (Chairman), Mr Wong Kan Seng, Mr Ko Kai Kwun Miguel, Mr Ong Yew Huat and Ms Leong Wai Leng.

Pursuant to the strategic restructuring in 2021, the Executive Resource and Compensation Committee of the Company had approved the following in relation to the unvested share award payout of the Company's Share Plans as at 17 September 2021:

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

(b) The outstanding CL RSP awards were converted to cash-settled based awards on 1 October 2021 with an implied value of $4.102 per Company's share. Contingent awards granted under the CL RSP have been finalised at 150% of the baseline awards based on the same implied value. The cash payment will be released to eligible employees in accordance with the original vesting schedule of respective CL RSP awards.

The details of awards in the Company since commencement of the Share Plans were as follows:

	<-----------Aggregate shares------------>			
	Granted No. of shares ('M)	**Released No. of shares ('M)**	**Lapsed/ Cancelled No. of shares ('M)**	**Balance as of 31 December 2023 No. of Shares ('M)**
CL RSP 2020	26	(18)	(4)	4

i) CapitaLand Restricted Share Plans – Cash-settled

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 CLI.

Following the listing of CLI in 2021, the outstanding CL RSP granted under the Company's RSP 2010 and RSP 2020 were converted to cash-settled awards on 1 October 2021 and awards will be released in accordance with the original vesting schedule of the respective CL RSP awards.

Movements in the number of shares outstanding under the CL RSP were summarised below:

	2023 ('M)	**2022 ('M)**
At 1 January	12	26
Released	(7)	(12)
Lapsed/Cancelled	(1)	(2)
At 31 December	4	12

ii) CapitaLand Development Performance Unit Plans 2022 (PUP 2022) – Cash-settled

In 2022, the ERNCC of the Company approved the CapitaLand Development Performance Unit Plan 2022 (PUP 2022) and CapitaLand Development Restricted Unit Plan 2022 (RUP 2022) awards to eligible employees. Under these awards, performance targets are set over certain performance period and are based on operational financial performance. The final awards will be paid in cash based on the prevailing net asset value.

The ERNCC grants an initial number of notional units (baseline award) which are conditional on targets set for a performance period, currently prescribed to be a three-year performance period. A specified number of units will only be released by the ERNCC to the recipients at the end of the qualifying performance period, provided the threshold targets are achieved. The final number of units to be released will depend on the achievement of pre-determined targets over the three-year performance period. No unit will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more units than the baseline award can be delivered up to a maximum of 200% of the baseline award. The ERNCC has the discretion to adjust the number of units released taking into consideration other relevant quantitative and qualitative factors. Recipients will receive the cash value based on the prevailing net asset value.

The performance conditions are as follows:

(a) CapitaLand Development Group's (CLD Group) (excluding CLI Group) absolute total shareholder return measured as a multiple of cost of equity;

(b) CLD Group's (excluding CLI Group) return on equity achieved in 2025 for the grants made in 2023 and 3-year average from 2022 to 2024 for the grants made in 2022;

(c) Group's carbon emissions intensity reduction achieved by 2024 and 2025 for the grants made in 2022 and 2023 respectively using 2019 as a baseline; and

(d) CLD Group's execution of Strategic Projects for grants made in 2023.

Movements in the number of units outstanding under PUP 2022 were summarised below:

	2022 ('M)	**2022 ('M)**
At 1 January	4	–
Granted	5	4
Lapsed	(1)	–
At 31 December	8	4

The fair values of the units are determined using Monte Carlo simulation method which projects value per unit based on Black-Scholes methodology at measurement date. The fair values and assumptions are set out below:

Year of award	**2022**	**2022**
Weighted average fair value of units and assumptions		
Weighted average fair value at measurement date	\$0.68 to \$0.70	\$0.83
Grant date	14 April 2023 and 3 July 2023	4 May 2022
Value per unit at grant date	\$1.04	\$1.00
Average volatility of the legacy Group's net asset value per share based on 60-months period from 2016 to 2020	5.06%	5.06%
Risk-free interest rate interpolated from the yield on Singapore Government bond with a term equal to the length of vesting period	2.89% to 3.33%	2.31%
Projected annualised total shareholder return	6.28%	8.25%

iii) CapitaLand Development Restricted Unit Plan 2022 (RUP 2022) – Cash-settled

The ERNCC grants an initial number of notional units (baseline award) which are conditional on targets set for a performance period, currently prescribed to be a one-year performance period. A specified number of units will only be released by the ERNCC to the recipients at the end of the qualifying performance period, provided the threshold targets are achieved. The final number of units to be released will depend on the achievement of pre-determined targets over the one-year performance period. No unit will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more units than the baseline award can be delivered up to a maximum of 150% of the baseline award. The ERNCC has the discretion to adjust the number of units released taking into consideration other relevant quantitative and qualitative factors. Recipients will receive the cash value based on the prevailing net asset value.

The performance conditions are as follows:

(a) CLD Group's (excluding CLI Group) earnings before interest and taxes; and

(b) CLD Group's (excluding CLI Group) return on equity.

Movements in the number of units outstanding under the RUP 2022 were summarised below:

	2022 ('M)	**2022 ('M)**
At 1 January	9	–
Granted	12	9
Released	(3)	–
Lapsed/Cancelled	(1)	(#)
At 31 December	17	9

Less than 1 million shares

The fair values of the units are determined using Monte Carlo simulation method which projects value per unit at measurement date based on the Black-Scholes methodology. The fair values and assumptions are set out below:

Year of award	**2022**	**2022**
Weighted average fair value of units and assumptions		
Weighted average fair value at measurement date	$1.03 to $1.09	$1.10 to $1.12
Grant dates	14 April 2023, 3 July 2023 and 1 December 2023	4 May 2022 and 1 July 2022
Value per unit at grant date	$1.04	$1.00
Average volatility of the legacy Group's net asset value per share based on 60-months period from 2016 to 2020	5.06%	5.06%
Risk-free interest rate interpolated from the yield on Singapore Government bond with a term equal to the length of vesting period	2.89% to 3.95%	1.65% to 2.60%
Projected annualised total shareholder return	2.71% to 6.28%	8.25%

2) Share Plans of CapitaLand Investment Limited (CLI)

The CLI Performance Share Plan 2021 (CLI PSP 2021) and CLI Restricted Share Plan 2021 (CLI RSP 2021) were approved by the Company on 17 July 2021. The duration of each share plan is 10 years commencing on 1 September 2021.

The ERCC of CLI 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 CLI shares received under the aforementioned share-based plans, which will vary according to their respective job grade and salary.

The details of CLI awards since commencement of the Share Plans were as follows:

	<------------Aggregate shares------------->			
	Granted No. of shares ('M)	**Released No. of shares ('M)**	**Lapsed/ Cancelled No. of shares ('M)**	**Balance as at 31 December 2022 No. of shares ('M)**
CLI PSP 2021	48	(16)	(3)	29
CLI RSP 2021	10	(2)	(3)	5

The total number of new shares issued and/or to be issued pursuant to the Share Plans of the CLI did not exceed 8% of the total number of shares (excluding treasury shares) in the capital of the CLI.

i) CLI Performance Share Plans

This relates to compensation costs of the CLI PSP 2021 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Following the listing of CLI, CLI grants share awards pursuant to the CLI PSP 2021 (Replacement Awards) to certain employees of CLI and certain designated employees its immediate holding company and its related corporations (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:

	2023 ('M)	**2022 ('M)**
At 1 January	21	26
Granted	4	3
Released	(8)	(8)
Lapsed/Cancelled	(1)	([#])
At 31 December[@]	16	21

[@] *Comprised approximately 14,000,000 (2022: 17,000,000) shares granted to the employees of the CLI Group and approximately 2,000,000 (2022: 4,000,000) shares granted to the employees of its immediate holding company and its related corporations.*

[#] *Less than 1 million shares*

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	**2023**	**2022**
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	\$3.44	\$4.07
Grant date	14 April 2023	4 May 2022
Share price at grant date	\$3.71	\$4.12
Expected volatility of CLI's share price (assuming the average volatility of 780-Day closing unit prices from six CLI REITs)	27.10%	26.46%
Expected dividend yield over the vesting period	3.31% to 3.59%	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	2.86% to 3.62%	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 CLI'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 CLI Group, its immediate holding company and its related corporations is conditional on a performance target based on longer term wealth creation objectives. Participants will receive a specified number of performance shares after the end of the performance period conditional on achievement of performance conditions.

The ERCC of CLI grants an initial number of shares (baseline award) which are conditional on the target of CLI's share price expressed as a multiple of the CLI 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 of CLI 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 of CLI 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 CLI Group, its immediate holding company and its related corporations as at 1 October 2021. As a hiring strategy, such one-time special contingent award may (at the absolute discretion of the ERCC of CLI) also be extended to key executives joining CLI Group, its immediate holding company and its related corporations 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:

	2023 ('M)	**2022 ('M)**
At 1 January	15	15
Granted	–	#
Lapsed/Cancelled	(1)	(#)
At 31 December@	14	15

@ *Comprised approximately 12,000,000 (2022: 13,000,000) shares granted to the employees of the CLI Group and 2,000,000 (2022: 2,000,000) shares granted to the employees of its immediate holding company and its related corporations.*

\# *Less than 1 million shares*

As at 31 December 2023, the number of shares granted under the Special PSP award are as follows:

	Final number of shares has not been determined (baseline award)	
	2023 ('M)	**2022 ('M)**
Equity-settled	14	15
Cash-settled	#	#
	14	15

Less than 1 million shares

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**
Weighted average fair value of shares and assumptions	
Weighted average fair value at measurement date	\$3.52 to \$3.90
Grant date	4 January 2022, 4 May 2022 and 1 June 2022
Share price at grant date	\$3.66 to \$4.12
Expected volatility of CLI's share price (assuming the average volatility of 1040-Day/780-Day closing unit price from six CLI REITs)	24.67% to 26.46%
Expected dividend yield over the vesting period	3.61% 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	1.11% to 2.51%
Net asset value per share	\$2.82 to \$3.99

iii) CLI Restricted Share Plans – Equity-settled/Cash-settled

This relates to compensation costs of the CLI's RSP 2021 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

There is no grant of performance-based RSP awards in 2023 to employees. Instead, the awards have been incorporated into the annual performance bonus where a part of the bonus declared is delivered in the form of deferred shares. Such deferred shares will be granted to eligible employees after the end of the financial year under review pursuant to the CLI RSP.

Movements in the number of shares outstanding under CLI RSP were summarised below:

	2023 ('M)	**2022 ('M)**
At 1 January	9	–
Granted	#	9
Released	(2)	(#)
Lapsed/Cancelled	(2)	(#)
At 31 December@	5	9

@ *Comprised approximately 5,000,000 (2022: 9,000,000) shares granted to the employees of the CLI and approximately 2,000 (2022: 5,000) shares granted to the employees of its related corporations.*

\# *Less than 1 million shares*

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	**2023**	**2022**
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	$3.38	$3.84
Grant date	14 April 2023 and 1 June 2023	4 May 2022
Share price at grant date	$3.31 to $3.71	$4.12
Expected dividend yield over the vesting period	3.31% to 3.73%	3.66% to 4.22%

As at 31 December 2023, the number of shares granted are as follows:

	Final number of shares determined but not released		Final number of shares has not been determined (baseline award)	
	2023 ('M)	**2022 ('M)**	**2023 ('M)**	**2022 ('M)**
Equity-settled	4	–	–	7
Cash-settled	1	–	–	2
	5	–	–	9

23 Share Capital

	The Company	
Issued and fully paid, with no par value	**2023 No. of shares ('M)**	**2022 No. of shares ('M)**
At 1 January and 31 December	5,203	5,203

Capital management

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

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

		The Group	
	Note	**2023 $'M**	**2022 $'M**
Borrowings and debt securities		21,080	20,987
Cash and cash equivalents	16	(5,019)	(5,339)
Net debt		16,061	15,648
Total equity		25,046	26,353
Net debt-to-equity ratio		0.64	0.59

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.

The Group's capital structure is regularly reviewed and managed. 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 (2022: 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 (REIT) management. In addition, the consolidated REIT (namely, CapitaLand Ascott Trust and CapitaLand Malaysia Trust) are subject to the aggregate leverage limit. 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.

24 Other Reserves

	The Group		The Company	
	2023	2022	2023	2022
	$'M	$'M	$'M	$'M
Capital reserve	368	349	4	7
Hedging reserve	28	116	–	–
Fair value reserve	16	29	–	–
Assets revaluation reserve	–	3	–	–
Foreign currency translation reserve	(1,411)	(995)	–	–
	(999)	(498)	4	7

The capital reserve comprises mainly reserve for cumulative value of employee services received for the share plans of the subsidiaries, reserves set aside by certain subsidiaries in compliance with the relevant regulations in the People's Republic of China and share of associates' and joint ventures' capital reserve.

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 assets revaluation reserve comprises the revaluation gain of 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, 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, Euro, Sterling Pound, Japanese Yen, Vietnamese Dong and Malaysian Ringgit.

25 Perpetual Securities

The Group's perpetual securities comprise perpetual securities and perpetual notes issued by its subsidiaries, CLAS and CapitaLand Treasury Limited (CTL) (collectively referred to as "Issuers"). The perpetual securities comprise:

Perpetual securities or notes	Issue date	Principal amount $
<u>CLAS</u>		
- Fixed rate perpetual securities with an initial distribution rate of 4.68% per annum	30 June 2015	250,000,000
- Fixed rate perpetual securities with an initial distribution rate of 3.88% per annum	4 September 2019	150,000,000
<u>Issued under CTL's $5,000,000,000 Euro Medium Term Note Programme:</u>		
- Fixed rate subordinated perpetual notes with an initial distribution rate of 3.65% per annum	17 October 2019	500,000,000

(a) The perpetual securities issued by CLAS 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.

(b) The perpetual notes issued by CTL have no fixed redemption date and redemption is at the option of CTL in accordance to the terms and conditions of the perpetual notes. The distribution will be payable semi-annually at the discretion of CTL and will be cumulative. The perpetual notes will constitute direct, unconditional, unsecured and subordinated obligations of CTL and shall at all times rank *pari passu* and without any preference among themselves and with any parity obligations of CTL.

As the perpetual securities have no fixed maturity date and the payment of distributions is at the discretion of the Issuers, the Issuers are 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: Presentation*, they are presented within equity, and distributions are treated as dividends.

26 Other Comprehensive Income

The Group's items of other comprehensive income do not have any related tax effect.

27 Revenue

Revenue of the Group is analysed as follows:

	The Group 2023 $'M	The Group 2022 $'M
Revenue from contracts with customers	2,428	2,721
Rental of investment properties:		
- Retail, office, business park, industrial, data centre properties and logistics rental and related income	803	861
- Lodging properties rental and related income	1,492	1,541
Others	112	70
	4,835	5,193

(a) Disaggregation of revenue from contracts with customers:

	The Group		
	Residential, commercial strata and urban development $'M	Fee income $'M	Total $'M
2023			
Geographical segments			
Singapore	511	501	1,012
China (includes Hong Kong)	808	188	996
Other developed markets	–	123	123
Other emerging markets	216	81	297
	1,535	893	2,428
Timing of revenue recognition			
Product transferred at a point in time	1,024	–	1,024
Products and services transferred over time	511	893	1,404
	1,535	893	2,428
2022			
Geographical segments			
Singapore	462	469	931
China (includes Hong Kong)	1,373	184	1,557
Other developed markets	–	97	97
Other emerging markets	69	67	136
	1,904	817	2,721

	The Group		
	Residential, commercial strata and urban development $'M	**Fee income $'M**	**Total $'M**
Timing of revenue recognition			
Product transferred at a point in time	1,442	–	1,442
Products and services transferred over time	462	817	1,279
	1,904	817	2,721

(b) Contract liabilities

The Group's contract liabilities relate primarily to:
- advance consideration received from customers; and
- progress billings issued in excess of the Group's right to the consideration.

The contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer. The significant changes in the contract liabilities during the year are as follows:

	The Group	
	2023 $'M	**2022 $'M**
Revenue recognised that was included in contract liabilities at the beginning of the year	303	400
Increase due to cash received, excluding amounts recognised as revenue during the year	(758)	(204)

28 Profit Before Tax

Profit before tax includes the following:

	Note	The Group 2023 $'M	The Group 2022 $'M
(a) Other operating income			
Interest income from:			
- deposits		95	92
- associates and joint ventures		44	19
- investee companies and others		6	4
		144	115
Dividend income		8	37
Foreign exchange gain		5	–
Mark-to-market gain on derivative instruments		–	34
Net fair value gains from investment properties	5	–	509
Gain on disposal of equity investment fair value through profit or loss		10	–
Gain from change of ownership interests in subsidiaries, associates and joint ventures		41	215
Gain on disposal of investment properties		24	14
Reversal of impairment of associates	7(a)(i)	#	–
Reversal impairment of joint ventures	8(a)(ii)	#	6
Forfeiture of security deposits		9	7
Government grants	(i)	–	5
Income from pre-termination of contracts and income support		9	8
Others		80	60
		331	1,010

Less than $1 million

(i) In 2022, the grants relate to the Job Support Scheme or equivalents in Singapore, Australia and Europe and property tax rebates extended by the Singapore government.

	Note	The Group 2023 $'M	The Group 2022 $'M
(b) Staff costs			
Wages and salaries		765	666
Contributions to defined contribution plans		89	84
Share-based expenses:			
- equity-settled		52	64
- cash-settled		17	25
Increase in liability for short term accumulating compensated absences		2	1
Staff benefits, training/ development costs and others		97	89
		1,022	929
Less:			
Staff costs capitalised in development properties for sale	11(f)	(15)	(16)
		1,007	913
Recognised in:			
Cost of sales		737	690
Administrative expenses		270	223
		1,007	913
(c)(i) Cost of sales include:			
Costs of development properties for sale		1,083	1,299
Foreseeable losses on development properties for sale	11(f)	253	120
Utilisation of foreseeable losses on development properties for sale	11(f)	(79)	(56)
Operating expenses of investment properties that generated rental income		836	747
Lease expenses (short-term leases)		188	362
Lease expenses (variable lease payments not included in the measurement of lease liabilities)		20	13

	Note	The Group 2023 $'M	The Group 2022 $'M
(c)(ii) Administrative expenses include:			
(Write-back)/ allowance for impairment loss on trade receivables		(5)	15
Amortisation of intangible assets	4	20	16
Auditors' remuneration:			
- auditors of the Company and other firms affiliated with KPMG International Limited		10	12
- other auditors		1	#
Non-audit fees:			
- auditors of the Company and other firms affiliated with KPMG International Limited		1	2
- other auditors		1	#
Depreciation of property, plant and equipment	3	79	78
Depreciation expenses of right-of-use assets	3	103	111
Lease expenses (short-term lease)		–	2
(Write-back) of listing and restructuring expenses		(2)	(2)
(c)(iii) Other operating expenses include:			
Allowance for impairment loss on non-trade receivables		85	63
Impairment loss on investment in/amounts due from joint ventures	8(a)(ii)	3	#
Impairment and write-off of property, plant and equipment	3	3	1
Impairment and write-off of other assets		23	#
Mark-to-market loss on derivative instruments		18	–
Mark-to-market loss on financial assets designated as fair value through profit or loss		23	39
Net fair value loss from investment properties	5	341	–
Foreign exchange loss		–	134

Less than $1 million

	Note	The Group 2023 $'M	The Group 2022 $'M
(d) Finance costs			
Interest costs paid and payable:			
on bank loans and overdrafts		717	540
- on debt securities		153	165
- to associates and joint ventures		36	36
Lease liabilities		37	46
Others		69	41
Interest on financial liabilities measured at amortised cost		1,012	828
Derivative financial instruments		(132)	(30)
Total borrowing costs		880	798
Less:			
Borrowing costs capitalised in:			
- investment properties		(11)	(17)
- development properties for sale	11(e)	(18)	(37)
		(29)	(54)
		851	744

29 Tax Expense

	The Group 2023 $'M	The Group 2022 $'M
Current tax expense		
- Based on current year's results	277	283
- Over provision in respect of prior years	(77)	(68)
- Group relief	#	(28)
	200	187
Deferred tax expense		
- Origination and reversal of temporary differences	(42)	91
- Over provision in respect of prior years	(8)	(28)
	(50)	63
Land appreciation tax		
- Current year	98	258
- (Over)/Under provision in respect of prior years	(7)	17
	91	275
Withholding tax		
- Current year	33	27
- Under provision in respect of prior years	13	9
	46	36
	287	561

Reconciliation of effective tax rate

	The Group	
	2023	**2022**
	$'M	**$'M**
Profit before tax	479	2,066
Less: Share of results of associates and joint ventures	(547)	(831)
(Loss)/Profits before share of results of associates and joint ventures and tax	(68)	1,235
Income tax using Singapore tax rate of 17% (2022: 17%)	(11)	210
Adjustments:		
Expenses not deductible for tax purposes	310	316
Income not subject to tax	(202)	(231)
Effect of unrecognised tax losses	85	102
Effect of other deductible temporary differences	74	(35)
Effect of different tax rates in foreign jurisdictions	12	88
Effect of taxable distributions from REITs	32	30
Land appreciation tax	98	258
Effect of tax reduction on land appreciation tax	(25)	(64)
Withholding taxes	33	27
Over provision in respect of prior years	(80)	(70)
Group relief	#	(28)
Others	(39)	(42)
	287	561

\# *Less than $1 million*

Global minimum tax under Pillar Two

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 140 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a set of model rules, followed by detailed commentary and administrative guidance in 2022 and 2023, that are expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws.

In 2023, various jurisdictions in which the Group operates in have started the process of enacting tax legislations to implement the Pillar Two model rules. Management is closely monitoring the progress of the legislative process in each jurisdiction that the Group operates in, and has engaged tax consultants to assist the Group in calculating the impact of the top-up tax arising from the enacted/substantively enacted legislation.

However, due to the complex nature of the legislations and calculations to determine the adjustments required for Pillar Two, the Group did not have sufficient information to reasonably determine the potential quantitative impact as at the balance sheet date. As at 31 December 2023, the Group did not have subsidiaries with significant operations in countries where the statutory tax rate is less than 15%. Accordingly, any top-up tax is not expected to have a significant impact to the Group.

30 Dividends

The Board of Directors of the Company has proposed a tax-exempt ordinary dividend of $0.080 per share which amounts to a payout of approximately $416 million based on the number of issued shares as at 31 December 2023.

For the financial year ended 31 December 2022, a tax-exempt ordinary dividend of $0.087 per share of $452 million were paid in May 2022.

31 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:

2023

Name of subsidiary	Date acquired	Ownership interest acquired
Quest Apartment Hotels (NZ) Limited^	August 2023	100%

2022

Name of subsidiary	Date acquired	Ownership 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%

^ Acquired through the Group's interest in CapitaLand Investment Limited

The acquisition in 2023 of Quest Apartment Hotels (NZ) Limited was accounted for as a business combination. The acquisitions in 2022 were accounted for as acquisition of assets except for Oakwood which was accounted for as business combinations (note 32).

(b) Effects of acquisitions

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

	Note	Recognised values 2023 $'M	Recognised values 2022 $'M
The Group			
Intangible assets	4	18	8
Investment properties	5	–	220
Trade and other receivables		1	22
Cash and cash equivalents		1	13
Trade and other payables		(1)	(35)
Borrowings and debt securities		–	(4)
Other non-current liabilities		–	(2)
Deferred tax liabilities		(5)	–
Net assets acquired		14	222
Goodwill arising from acquisition	4	15	49
Total purchase consideration		29	271
Deferred purchase consideration and other adjustments		–	(55)
Deferred purchase consideration paid in relation to prior year's acquisition of subsidiaries		19	39
Cash of subsidiaries acquired		(1)	(13)
Cash outflow on acquisition of subsidiaries		47	242

Acquisition-related costs

Acquisition-related costs of $1 million (2022: $3 million) relating to stamp duties and legal, due diligence, tax advisory and financial advisory service fees were included in the administrative expenses .

(c) Disposal of subsidiaries

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

2023

Name of subsidiary	Date disposed	Ownership interest disposed
Zillion Alpha Holdings Pte Ltd^	March 2023	80%
Ascendas IT Park (Pune) Private Limited^	May 2023	55%
Chengdu Spring Development Pte Ltd	June 2023	56%
AIGP2 Chennai 1 Pte Ltd^	August 2023	50%

The disposed subsidiaries contributed net profit of $3.2 million from 1 January 2023 to the respective dates of disposal.

2022

Name of subsidiary	Date disposed	Ownership 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.

^ Held through the Group's interest in CapitaLand Investment Limited

(d) Effects of disposals

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

		The Group	
	Note	2023 $'M	2022 $'M
Investment properties	5	181	1,646
Deferred tax asset		14	–
Development properties held for sale		6	–
Assets held for sale		434	–
Trade and other receivables		12	13
Cash and cash equivalents		56	28
Trade and other payables		(108)	(68)
Provision for taxation		(41)	–
Liabilities held for sale		(137)	–
Other current liabilities		–	(7)
Borrowings		(95)	(707)
Other non-current liabilities		–	(42)
Non-controlling interests		(32)	(230)
Equity interest retained as associates and joint ventures		(13)	(3)
Net assets disposed		277	630
Realisation of reserves		33	(7)
Gain on disposal of subsidiaries		53	207
Sale consideration		363	830
Deferred proceeds and other adjustments		(57)	(79)
Shareholder's loan taken over by buyer		66	–
Deferred proceeds received in relation to for prior year's disposals of a subsidiary		49	–
Cash of subsidiaries disposed		(56)	(28)
Cash inflow on disposal of subsidiaries		365	723

32 Business Combinations

At the time of each 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.

2023

Acquisition of Quest Apartment Hotels (NZ) Limited

On 31 August 2023, the Group acquired 100% of the shares and voting interests in Quest Apartment Hotels (NZ) Limited and its subsidiaries (QNZ) from unrelated parties. Following the acquisition, QNZ became a wholly-owned subsidiary of the Group.

QNZ is the master franchisor for Quest brand in New Zealand since 2000. The acquisition of QNZ complements the Group's lodging platform, generating asset-light, fee related earnings (FRE), through management and franchising businesses.

From the date of acquisition to 31 December 2023, QNZ contributed revenue of $3 million and net profit of $1 million to the Group's results. If the acquisition had occurred on 1 January 2023, management estimates that the contribution to the Group's revenue and net profits from QNZ would have been $10 million and $3 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 2023.

Goodwill of $15 million (see note 4) 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 QNZ and the fair value of the assets acquired and liabilities assumed.

	2023 **$'M**
Intangible assets	18
Other current assets	1
Cash and cash equivalents	1
Current liabilities	(1)
Deferred tax liabilities	(5)
Total identifiable net assets	14
Goodwill on acquisition	15
Total purchase consideration	29
Less: cash and cash equivalents in subsidiary acquired	(1)
Net cash outflow on acquisition	28

Total acquisition-related costs of $1 million related to stamp duties, legal, due diligence and tax advisory fees were included in administrative expenses in the current year.

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.

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 a 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; and
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.

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.

33 Financial Risk Management

(a) Financial risk management objectives and policies

The Group and the Company are exposed to market risk (including interest rate, foreign currency and price risks), credit risk and liquidity risk arising from its diversified 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 currency forwards, interest rate swaps and cross currency swaps as well as foreign currency borrowings to hedge certain financial risk exposures.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Committee to strengthen its risk management processes and framework. The Risk Committee is assisted by an independent unit called the Group Risk Management (GRM) which generates a comprehensive portfolio risk report on a regular basis to update the committee of the Group's risk profile. A group-wide Risk and Control Self-Assessment (RCSA) is conducted annually by all business units to identify key material risks (including financial risks), mitigating measures and any opportunities to leverage on.

(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 adopts a policy of ensuring that between 60% and 70% of its interest rate risk exposure is at a fixed rate. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve certain level of protection against rate hikes. The Group also uses hedging instruments such as interest rate swaps to minimise its exposure to interest rate volatility and classifies these interest rate swaps as cash flow hedges.

As at 31 December 2023, the Group has interest rate swaps classified as cash flow hedges with notional contractual amount of $4,893 million (2022: $5,245 million) which pay fixed interest rates and receive variable rates equal to the Singapore swap offer rates (SOR), Singapore Overnight Rate Average (SORA), US Secured Overnight Financing Rate (SOFR), Tokyo Overnight Average Rate (TONA), Australia Bank Bill Swap Bid Rates (BBSY), Australia Bank Bill Swap Rates (BBSW) and Euro Interbank Offered Rates (EURIBOR) and Sterling Overnight Index Average (SONIA) on the notional amount.

As at 31 December 2023, the Group has cross currency swaps classified as cash flow hedges with notional contractual amount of $682 million (2022: $256 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 and Japanese Yen and Singapore Dollars on the notional amounts.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the critical terms method. When all critical terms match, the economic relationship is considered to be 100% effective.

Hedge ineffectiveness may occur due to changes in the critical terms of either the interest rate swaps or borrowings.

The net fair value loss of interest rate swaps as at 31 December 2023 was $18 million (2022: $144 million) comprising derivative assets of $42 million (2022: $144 million) and derivative liabilities of $24 million (2022: Nil).

Sensitivity analysis

For variable rate financial liabilities and interest rate derivative instruments used for hedging, 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 $84 million (2022: $87 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').

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.

As at 31 December 2022, the Group had the following exposure to SGD swap offer rates (SGD SOR) and USD London Interbank Offer Rates (USD LIBOR) on its financial instruments that had been replaced or reformed as part of the market-wide initiatives during the year.

	SGD SOR Carrying amount \$'M	**USD LIBOR Carrying amount \$'M**
The Group		
31 December 2022		
Borrowings	4,003	1,276
Derivative liabilities – interest rate swaps	10	–
Derivative assets – cross currency swaps	(19)	(22)
Total	3,994	1,254

As at 31 December 2023, the Group has completed the transition of all its financial liabilities and financial instruments to alternative risk-free rates, where required.

(ii) *Foreign currency risk*

The Group operates internationally and is exposed to various currencies, mainly Singapore Dollars, Chinese Renminbi, Euro, Japanese Yen, Malaysian Ringgit, Australian Dollars, Sterling Pound, US Dollars and Vietnamese Dong.

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 the reporting date, the Group uses certain foreign currency denominated borrowings, which include bank loans and medium term notes, and cross currency interest rate swaps to hedge against the currency risk arising from the Group's net investments in certain subsidiaries in United States of America, Europe and Japan. The carrying amount of these US Dollars, Euro, Sterling Pound and Japanese Yen denominated borrowings as at 31 December 2023 was \$647 million (2022: \$593 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 fair value gain of the forward exchange and cross currency swap contracts as at 31 December 2023 was $86 million (2022: $57 million), comprising derivative assets of $89 million (2022: $70 million) and derivative liabilities of $3 million (2022: $13 million).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group's exposure to major foreign currencies was as follows:

The Group	**Singapore Dollars $'M**	**US Dollars $'M**	**Australian Dollars $'M**	**Chinese Renminbi $'M**	**Japanese Yen $'M**	**Euro $'M**	**Malaysian Ringgit $'M**	**Sterling Pound $'M**	**Vietnamese Dong $'M**
31 December 2023									
Other financial assets	356	45	–	3	9	15	–	–	–
Trade and other receivables	2,289	1,702	233	1,141	207	293	25	431	406
Cash and cash equivalents	1,702	237	100	2,056	162	171	42	77	347
Bank borrowings and debt securities	(12,950)	(2,670)	(282)	(2,441)	(1,123)	(382)	(627)	(522)	(11)
Trade and other payables	(2,220)	(517)	(67)	(2,670)	(54)	(91)	(93)	(32)	(168)
Gross currency exposure	(10,823)	(1,203)	(16)	(1,911)	(799)	6	(653)	(46)	574
Add/Less: Net financial liabilities/ (asset) denominated in the respective entities' functional currencies	10,127	1,244	229	2,059	573	187	650	52	(574)
Add: Bank borrowings and debt securities designated for net investment hedge	–	–	18	–	211	278	–	140	–
Add: Cross currency swaps/foreign exchange forward contracts	–	(66)	–	–	104	(179)	–	–	–
Net currency exposure	(696)	(25)	231	148	89	292	(3)	146	–

.

The Group	Singapore Dollars $'M	US Dollars $'M	Australian Dollars $'M	Chinese Renminbi $'M	Japanese Yen $'M	Euro $'M	Malaysian Ringgit $'M	Sterling Pound $'M	Vietnamese Dong $'M
31 December 2022									
Other financial assets	239	52	–	3	11	19	–	–	–
Trade and other receivables	2,309	296	202	1,279	201	295	29	356	246
Cash and cash equivalents	1,847	359	97	2,228	179	121	75	63	245
Bank borrowings and debt securities	(12,187)	(3,092)	(504)	(2,840)	(937)	(323)	(499)	(407)	(40)
Trade and other payables	(2,973)	(321)	(71)	(2,916)	(62)	(86)	(65)	(23)	(183)
Gross currency exposure	(10,765)	(2,706)	(276)	(2,246)	(608)	26	(460)	(11)	268
Add/Less: Net financial liabilities/ (asset) denominated in the respective entities' functional currencies	10,840	1,956	342	2,393	414	211	580	106	(268)
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	75	(680)	135	147	89	270	120	130	–

Sensitivity analysis

It is estimated that a five percentage point weakening in foreign currencies against the respective functional currencies of the Group would decrease the Group's profit before tax by approximately $9 million (2022: $22 million). A five percentage point strengthening 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.

There was no significant exposure to foreign currencies for the Company as at 31 December 2023 and 31 December 2022.

(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 customers who bought its residential units and tenants from its office buildings, shopping malls, business parks and serviced residences. 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 and the Company 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 balance sheet date is disclosed in note 36.

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 ventures.

(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 receivable 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. During the year, the Group temporarily extended the credit terms for specific customers with liquidity constraints or as stipulated by government legislation as a direct result of the COVID-19 pandemic. All extensions were granted within current sales limits after careful evaluation of the creditworthiness of the customer and each customer that was granted an extension is closely monitored for credit deterioration.

(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:

The Group	**Trade receivables $'M** Note 13	**Other receivables $'M** Note 14	**Amounts due from associates $'M** Note 7(b)	**Amounts due from joint ventures (current) $'M** Note 8(b)	**Amounts due from joint ventures (non-current) $'M** Note 8(a)	**Amount due from investee (current) $'M** Note 12	**Total $'M**
At 1 January 2023	58	25	25	28	13	38	187
Allowance utilised	(6)	–	#	–	–	–	(6)
Allowance during the year	#	1	–	4	–	77	82
Reversal of allowance during the year	(5)	–	#	–	–	–	(5)
Translation differences	(1)	#	#	#	#	(3)	(4)
At 31 December 2023	46	26	25	32	13	112	254

\# *Less than $1 million*

The Group	Trade receivables $'M Note 13	Other receivables $'M Note 14	Amounts due from associates $'M Note 7(b)	Amounts due from joint ventures (current) $'M Note 8(b)	Amounts due from joint ventures (non-current) $'M Note 8(a)	Amounts due from investee (current) $'M Note 12	Total $'M
At 1 January 2022	50	18	25	21	14	–	128
Allowance utilised	(6)	(1)	–	–	–	–	(7)
Allowance during the year	24	11	–	11	–	38	84
Reversal of allowance during the year	(8)	(2)	–	(#)	–	–	(10)
Translation differences	(2)	(1)	–	(4)	(1)	–	(8)
At 31 December 2022	58	25	25	28	13	38	187

Less than $1 million

The movements in allowance for impairment loss on loans (note 6) and amounts due from subsidiaries (note 18) were as follows:

	Loans/Amounts due from subsidiaries 2023 $'M	Loans/Amounts due from subsidiaries 2022 $'M
The Company		
At 1 January	659	639
Allowance during the year	676	659
Reversal of allowance during the year	(659)	(639)
At 31 December	676	659

Cash and cash equivalents are subject to immaterial credit loss.

(b) The maximum exposure to credit risk for trade receivables and other financial assets (by geographic region) at the reporting date was:

	Trade receivables 2023 $'M	Other financial assets 2023 $'M	Trade receivables 2022 $'M	Other financial assets 2022 $'M
The Group				
Singapore	130	1,674	70	1,353
China[1]	96	1,412	114	1,705
Other developed markets	91	82	95	61
Other emerging markets	72	768	73	447
	389	3,936	352	3,566

[1] Includes Hong Kong

(c) The credit quality of trade and other receivables is assessed based on credit policies established by the Risk Committee. 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. Where a customer has been granted a temporary extension in the credit period as a result of the COVID-19 pandemic, the past-due status is based on the extended credit period. The Group's and the Company's credit risk exposures in relation to trade and other receivables under SFRS(I) 9 as at 31 December 2023 are set out in the provision matrix as follows:

		<------------- Past due ------------>			
	Current $'M	**Within 30 days $'M**	**30 to 90 days $'M**	**More than 90 days $'M**	**Total $'M**
The Group					
2023					
Expected loss rate	0.7%	1.9%	8.0%	70.7%	
Trade receivables	299	53	25	58	435
Loss allowance	2	1	2	41	46
Expected loss rate	0.04%	–	–	39.1%	
Amounts due from associates (current)	199	25	12	64	300
Loss allowance	#	–	–	25	25
Expected loss rate	–	–	–	–	
Amounts due from associates (non-current)	489	–	–	–	489
Expected loss rate	2.1%	–	1.0%	7.4%	
Amounts due from joint ventures (current)	524	76	5	243	848
Loss allowance	11	#	#	17	28
Expected loss rate	0.8%	–	–	–	
Amounts due from joint ventures (non-current)	1,534	–	–	–	1,534
Loss allowance	17	–	–	–	17
Expected loss rate	–	–	–	100%	
Amount due from investee (current)	–	–	–	112	112
Loss allowance	–	–	–	112	112

Less than $1 million

		<------------- Past due ------------>			
The Group	**Current $'M**	**Within 30 days $'M**	**30 to 90 days $'M**	**More than 90 days $'M**	**Total $'M**
2022					
Expected loss rate	2.1%	1.9%	5.3%	62.0%	
Trade receivables	240	53	38	79	410
Loss allowance	5	1	2	49	57
Expected loss rate	–	–	–	32.9%	
Amounts due from associates (current)	173	46	14	76	309
Loss allowance	–	–	–	25	25
Expected loss rate	–	–	–	–	–
Amounts due from associates (non-current)	417	–	–	–	417
Expected loss rate	–	–	–	9.9%	
Amounts due from joint ventures (current)	492	84	4	284	864
Loss allowance	#	#	#	28	28
Expected loss rate	1.1%	–	–	–	
Amounts due from joint ventures (non-current)	1,158	–	–	–	1,158
Loss allowance	13	–	–	–	13
Expected loss rate	–	–	–	32.5%	
Amount due from investee (current)	–	–	–	117	117
Loss allowance	–	–	–	38	38

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 2023 and 31 December 2022 are current.

The Company's credit risk exposure to other receivables as at 31 December 2023 and 31 December 2022 are immaterial. The Company has issued financial guarantees to banks for borrowings of its subsidiaries (see note 36). These guarantees are subject to the impairment requirements of SFRS(I) 9 in 2023. The Company has assessed that these subsidiaries have sufficient financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(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. As part of its financing strategy, the Group diversifies its borrowings by tapping into debt capital markets at the appropriate window and putting in place bank facilities.

As at 31 December 2023, the Group has approximately $10.5 billion (2022: $11.1 billion) of total cash and available undrawn facilities held under the Group's treasury vehicles, which is sufficient to support the Group's funding requirements for the next 12 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:

		<------------- Contractual cash flows ------------->			
	Carrying amount $'M	**Total $'M**	**Not later than 1 year $'M**	**Between 1 and 5 years $'M**	**After 5 years $'M**
The Group					
31 December 2023					
Financial liabilities, at amortised cost					
Bank borrowings	(15,016)	(17,185)	(2,892)	(11,901)	(2,392)
Debt securities	(4,931)	(5,659)	(870)	(2,464)	(2,325)
Lease liabilities	(1,133)	(1,470)	(164)	(561)	(745)
Trade and other payables*	(4,864)	(4,868)	(4,414)	(348)	(106)
	(25,944)	(29,182)	(8,340)	(15,274)	(5,568)
Derivative financial assets/(liabilities), at fair value					
Interest rate swaps (net-settled)					
- assets	43	103	38	64	1
- liabilities	(26)	(28)	3	(31)	#
Forward foreign exchange contracts (net-settled)					
- assets	4	4	4	–	–
- liabilities	(1)	(1)	(1)	–	–
Forward foreign exchange contracts (gross-settled)	9				
- outflow		(286)	(286)	–	–
- inflow		295	295	–	–
Forward foreign exchange contracts (gross-settled)	(1)				
- outflow		(178)	(178)	–	–
- inflow		177	177	–	–
Cross currency swaps (gross-settled)	76				
- outflow		(695)	(124)	(566)	(5)
- inflow		800	153	646	1
Cross currency swaps (gross-settled)	(1)				
- outflow		(120)	(4)	(116)	–
- inflow		119	4	115	–
	103	190	81	112	(3)
	(25,841)	(28,992)	(8,259)	(15,162)	(5,571)

* *Excludes advanced billings, advance payments received, accruals and other payables relating to staff cost, deferred income, derivative liabilities and liability for employee benefits.*

Less than $1 million

		<------------- Contractual cash flows ------------->			
	Carrying amount $'M	**Total $'M**	**Not later than 1 year $'M**	**Between 1 and 5 years $'M**	**After 5 years $'M**
The Group					
31 December 2022					
Financial liabilities, at amortised cost					
Bank borrowings	(15,318)	(17,088)	(3,148)	(12,274)	(1,666)
Debt securities	(4,570)	(5,240)	(462)	(2,819)	(1,959)
Lease liabilities	(1,099)	(1,287)	(155)	(553)	(579)
Trade and other payables*	(5,055)	(5,089)	(4,861)	(215)	(13)
	(26,042)	(28,704)	(8,626)	(15,861)	(4,217)
Derivative financial assets/(liabilities), at fair value					
Interest rate swaps (net-settled)					
- assets	143	148	91	55	2
- liabilities	#	#	#	#	#
Forward foreign exchange contracts (net-settled)					
- assets	11	15	12	3	–
- liabilities	(2)	(2)	(2)	–	–
Forward foreign exchange contracts (gross-settled)	(1)				
- outflow		(176)	(176)	–	–
- inflow		175	175	–	–
Cross currency swaps (gross-settled)	58				
- outflow		(537)	(156)	(381)	–
- inflow		638	192	446	–
Cross currency swaps (gross-settled)	(8)				
- outflow		(218)	(37)	(181)	–
- inflow		230	44	186	–
	201	273	143	128	2
	(25,841)	(28,431)	(8,483)	(15,733)	(4,215)

* *Excludes advanced billings, advance payments received, accruals and other payables relating to staff cost, deferred income, derivative liabilities and liability for employee benefits.*

\# *Less than $1 million*

	Carrying amount $'M	<--- Contractual cash flows ---> Total $'M	Not later than 1 year $'M	Between 1 and 5 years $'M	After 5 years $'M
The Company					
31 December 2023					
Financial liabilities, at amortised cost					
Amounts due to subsidiaries	(5,631)	(5,631)	(4)	(5,627)	–
Trade and other payables^	(4)	(4)	(3)	(1)	–
	(5,635)	(5,635)	(7)	(5,628)	–
31 December 2022					
Financial liabilities, at amortised cost					
Amounts due to subsidiaries	(6,118)	(6,118)	(182)	(5,936)	–
Trade and other payables^	(17)	(17)	(16)	(1)	–
	(6,135)	(6,135)	(198)	(5,937)	–

^ *Excludes liability for employee benefits.*
\# *Less than $1 million*

The above does not include contractual cash flows arising from financial guarantee contracts issued by the Company, as the Company does not expect any net cash outflows resulting from these contracts (see note 36).

At 31 December 2023, 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------>				
The Group	**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**
31 December 2023								
Cashflow hedges								
Foreign exchange risk								
- Cross currency swaps to hedge foreign currency borrowings	326	7	Derivative financial instruments	6	(6)	–	USD: SGD1.350 JPY: SGD0.0108	April 2024 to November 2029
- Forward contracts to hedge foreign currency receivable	356	8	Derivative financial instruments	(1)	2	1	KRW: SGD0.001 USD: SGD1.357	February 2024 to October 2024
Interest rate risk								
- Interest rate swaps to hedge floating rate borrowings	4,893	18	Derivative financial instruments	(57)	57	#	2.39%	February 2024 to June 2028

Less than $1 million

	<----Carrying amount	---->		<----Changes in fair value used for calculating hedge ineffectiveness		---->		
The Group	**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**
31 December 2023								
Net investment hedges								
Foreign exchange risk								
- Borrowings to hedge net investments in foreign operations	–	(647)	Borrowings	7	(7)	–	JPY: SGD0.0093 EUR: SGD1.465 GBP: SGD1.677 AUD: SGD0.902	April 2024 to April 2028
- Forward contracts to hedge net investments in foreign operations	458	3	Derivative financial instruments	(5)	5	–	USD: SGD1.350 RMB: SGD0.186 JPY: SGD0.0093 EUR: SGD1.448 MYR: SGD0.289	January 2024 to September 2024
- Cross currency swaps to hedge net investments in foreign operations	687	68	Derivative financial instruments	36	(36)	–	JPY: SGD0.0100 EUR: SGD1.491	March 2024 to September 2028

	<-----Carrying amount-----		----->	<-----Changes in fair value used for calculating hedge ineffectiveness-----		----->		
The Group	**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**
31 December 2022								
Cashflow hedges								
Foreign exchange risk								
- Cross currency swaps to hedge foreign currency borrowings	195	2	Derivative financial instruments	3	(3)	–	USD: SGD1.361	January 2022 to Aug 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	5,245	143	Derivative financial instruments	184	(184)	#	1.41%	March 2023 to October 2027

Less than $1 million

	Carrying amount			Changes in fair value used for calculating hedge ineffectiveness				
The Group	**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**
31 December 2022								
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	50	Derivative financial instruments	44	(44)	–	JPY: SGD0.0102 EUR: SGD1.545	April 2023 to May 2026

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.

	Hedging reserve	
	2023	**2022**
	$'M	**$'M**
The Group		
At 1 January	116	(35)
Change in fair value:		
- Foreign currency risk	(5)	#
- Interest rate risk	(81)	184
Amount reclassified to profit or loss:		
- Foreign currency risk	#	#
- Interest rate risk	(2)	(33)
At 31 December	28	116

\# *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 International Swaps and Derivatives Association (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 balance sheet dates.

34 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 valuation 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.

(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) Property, plant and equipment

The fair value of the property, plant and equipment is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly.

(vii) Share-based payment transactions

The fair values of employee performance share plan and restricted share plan are measured using valuation methodology described in note 22. Measurement inputs include the share price at grant date, expected volatility (based on an evaluation of the historical volatility of the Group's and peer group's share price), expected correlation of the Group's return with those of peer group, expected dividends yield and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair values.

(b) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used. The different levels have been defined as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(c) Accounting classification and fair values

		Carrying amount					Fair value			
	Note	Fair value - hedging instruments $'M	FVOCI $'M	FVTPL $'M	Amortised Cost $'M	Total $'M	Level 1 $'M	Level 2 $'M	Level 3 $'M	Total $'M
The Group										
31 December 2023										
Financial assets measured at fair value										
Equity investments at FVOCI	10(a)	–	126	–	–	126	93	–	33	126
Equity investments at FVTPL	10(a), 10(b)	–	–	149	–	149	2	–	147	149
Derivative financial assets:										
- Interest rate swaps, forward foreign exchange contracts and cross currency swaps	10(b)	41	–	–	–	41	–	41	–	41
- Interest rate swaps and cross currency swaps	10(a)	91	–	–	–	91	–	91	–	91
		132	126	149	–	407				
Financial assets not measured at fair value										
Other non-current assets		–	–	–	72	72				
Loans due from associates	7(a), 7(b)	–	–	–	489	489				
Loans due from joint ventures	8(a), 8(b)	–	–	–	1,517	1,517				
Trade and other receivables ^	12	–	–	–	2,248	2,248				
Cash and cash equivalents	16	–	–	–	5,019	5,019				
		–	–	–	9,345	9,345				

^ *excludes prepayment*

		<------ Carrying amount				------>	<------ Fair value			------>
	Note	**Fair value - hedging instruments $'M**	**FVOCI $'M**	**FVTPL $'M**	**Amortised Cost $'M**	**Total $'M**	**Level 1 $'M**	**Level 2 $'M**	**Level 3 $'M**	**Total $'M**
The Group										
31 December 2022										
Financial assets measured at fair value										
Equity investments at FVOCI	10(a)	–	151	–	–	151	104	14	33	151
Equity investments at FVTPL	10(a), 10(b)	–	–	173	–	173	4	–	169	173
Derivative financial assets:										
- Interest rate swaps, forward foreign exchange contracts and cross currency swaps	10(b)	72	–	–	–	72	–	72	–	72
- Interest rate swaps and cross currency swaps	10(a)	143	–	–	–	143	–	143	–	143
		215	151	173	–	539				
Financial assets not measured at fair value										
Other non-current assets		–	–	–	30	30				
Loans due from associates	7(a), 7(b)	–	–	–	417	417				
Loans due from joint ventures	8(a), 8(b)	–	–	–	1,145	1,145				
Trade and other receivables^	12	–	–	–	2,326	2,326				
Cash and cash equivalents	16	–	–	–	5,339	5,339				
		–	–	–	9,257	9,257				

^ *Excludes prepayment*

	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 2023										
Financial liabilities measured at fair value										
Derivative financial instruments:										
Interest rate swaps, forward foreign exchange contracts and cross currency swaps	17	(3)	–	–	–	(3)	–	(3)	–	(3)
Interest rate swaps, forward foreign exchange contracts and cross currency swaps	21	(26)	–	–	–	(26)	–	(26)	–	(26)
		(29)	–	–	–	(29)				
Financial liabilities not measured at fair value										
Other non-current liabilities#		–	–	–	(462)	(462)	–	–	(446)	(446)
Bank borrowings^	19	–	–	–	(15,016)	(15,016)	–	(14,994)	–	(14,994)
Debt securities	20	–	–	–	(4,931)	(4,931)	–	(4,954)	–	(4,954)
Trade and other payables#		–	–	–	(4,494)	(4,494)				
		–	–	–	(24,903)	(24,903)				

\# *Excludes liability for employee benefits, derivative liabilities and deferred income.*
^ *Excludes lease liability.*

		<---------- Carrying amount				---------->	<---------- Fair value			---------->
	Note	**Fair value - hedging instruments $'M**	**FVOCI $'M**	**FVTPL $'M**	**Amortised Cost $'M**	**Total $'M**	**Level 1 $'M**	**Level 2 $'M**	**Level 3 $'M**	**Total $'M**
The Group										
31 December 2022										
Financial liabilities measured at fair value										
Derivative financial instruments:										
Interest rate swaps, forward foreign exchange contracts and cross currency swaps	17	(4)	–	–	–	(4)	–	(4)	–	(4)
Interest rate swaps, forward foreign exchange contracts and cross currency swaps	21	(10)	–	–	–	(10)	–	(10)	–	(10)
		(14)	–	–	–	(14)				
Financial liabilities not measured at fair value										
Other non-current liabilities#		–	–	–	(236)	(236)	–	–	(230)	(230)
Bank borrowings^	19	–	–	–	(15,318)	(15,318)	–	(14,874)	–	(14,874)
Debt securities	20	–	–	–	(4,570)	(4,570)	–	(4,351)	–	(4,351)
Trade and other payables#		–	–	–	(4,850)	(4,850)				
		–	–	–	(24,974)	(24,974)				

\# *Excludes liability for employee benefits, derivative liabilities and deferred income.*
^ *Excludes lease liability.*

	Note	<---- Carrying amount-----> Amortised Cost $'M	Total $'M	< ---- Fair value ---- > Level 1 $'M	Level 2 $'M	Level 3 $'M	Total $'M
The Company							
31 December 2023							
Financial assets not measured at fair value							
Amounts due from subsidiaries	6	2,834	2,834				
Trade and other receivables^	12	315	315				
Cash and cash equivalents	16	16	16				
		3,165	3,165				
Financial liabilities not measured at fair value							
Other non-current liabilities#		(5,452)	(5,452)				
Trade and other payables#		(190)	(190)				
		(5,642)	(5,642)				

^ *Excludes prepayment*
# *Excludes liability for employee benefits.*

	Note	<---- Carrying amount-----> Amortised Cost $'M	Total $'M	< ---- Fair value ---- > Level 1 $'M	Level 2 $'M	Level 3 $'M	Total $'M
The Company							
31 December 2022							
Financial assets not measured at fair value							
Amounts due from subsidiaries	6	2,887	2,887				
Trade and other receivables	12	531	531				
Cash and cash equivalents	16	4	4				
		3,422	3,422				
Financial liabilities not measured at fair value							
Other non-current liabilities*		(5,936)	(5,936)				
Trade and other payables#		(195)	(195)				
		(6,131)	(6,131)				

* *Excludes liability for employee benefits.*

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 2023		
Non-financial assets measured at fair value		
Investment properties	5	19,099
Assets held for sale – investment properties	15	1,492
		20,591
31 December 2022		
Non-financial assets measured at fair value		
Investment properties	5	20,907
Assets held for sale – investment properties	15	352
		21,259

(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 FVOCI $'M	Equity investments at FVTPL $'M	Assets held for sale – investment properties $'M
The Group			
2023			
At 1 January 2023	33	169	352
Additions	1	14	1,492
Disposals	–	(17)	(352)
Changes in fair value recognised in profit or loss	(1)	(19)	–
At 31 December 2023	33	147	1,492

	Equity investments at FVOCI $'M	Equity investments at FVTPL $'M	Assets held for sale – investment properties $'M
The Group			
2022			
At 1 January 2022	66	136	2
Additions	2	31	351
Transfer from Asset held for sale	–	46	–
Disposals	(8)	–	(1)
Changes in fair value recognised in profit or loss	–	(38)	–
Changes in fair value recognised in other comprehensive income	(24)	–	–
Return of capital	–	(2)	–
Translation differences	(3)	(4)	–
At 31 December 2022	33	169	352

Less than $1 million

Movements for investment properties are set out in note 5.

(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	Retail	Office	Integrated development	Business park, industrial and logistics	Lodging	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation approach							
	Capitalisation rate (net)						
	2023	5.0% to 9%	4.3% to 5.5%	4.0% to 5.5%	5.3% to 8.8%	4.5% to 6.0%	The estimated fair value varies inversely against the capitalisation rate .
	2022	5.0% to 10.0%	4.3% to 4.8%	4.0% to 7.5%	4.5% to 8.5%	4.3 % to 5.8%	
Discounted cash flow approach							
	Discount rate						
	2023	7.5% to 10.5%	4.3% to 8.5%	8.8% to 25.0%	6.8% to 10.0%	3.2% to 15.5%	
	2022	8.0% to 11.0%	4.4% to 8.8%	6.8% to 25.0%	6.8% to 18.8%	3.3% to 15.0%	
	Terminal yield rate						The estimated fair value varies inversely against the discount rate and terminal yield rate.
	2023	4.8% to 10.0%	4.3% to 5.8%	5.0% to 8.5%	4.8% to 7.3%	3.3% to 11.0%	
	2022	5.3% to 10.0%	4.3% to 5.0%	4.3% to 9.0%	4.8% to 11.0%	3.0% to 11.0%	

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
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.
	2023	–	–	–	108 to 935	144	
	2022	–	483	–	85 to 965	131 to 134	
	Estimated cost to completion ($ million)						
	2023	–	–	–	55 to 436	97	
	2022	–	8	–	33 to 434	40 to 107	

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: 5.1% to 7.3% (2022: 6.3% to 6.5%) - Terminal yield rate: 4.6% to 5.8% (2022: 3.2% to 3.9%)	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 7.0% (2022: 2.7% to 6.5%) - Terminal yield rate: 3.0% to 6.0% (2022: 3.0% to 4.9%)	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: 3.8x (2022: 1.7x to 5.8x) - Volatility of comparable companies: 38% (2022: 42%)	The estimated fair value increases with higher multiple and varies inversely against volatility.
Equity investment in funds in South-East Asia at FVTPL	Discounted cash flow method	- Discount rate: 3.5% to 9.5% (2022: Nil) - Terminal yield rate: 3.0% to 7.0% (2022: Nil)	The estimated fair value increases with lower discount rate and terminal yield rate.

(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.

35 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	
	2023	**2022**
	$'M	**$'M**
Lease payments payable:		
Not later than 1 year	33	63
Between 1 and 5 years	4	6
After 5 years	2	–
	39	69

(b) Commitments

	The Group	
	2023	**2022**
	$'M	**$'M**
Commitments in respect of:		
- capital expenditure contracted but not provided for in the financial statements	81	18
- development expenditure contracted but not provided for in the financial statements	855	1,574
- capital contribution in associates, joint ventures and investee companies	1,235	1,181
- purchase of land/ a property contracted but not provided for in the financial statements	67	107
- shareholders' loan committed to an associate	–	48
- credit financing to external parties	223	–
	2,461	2,928

(c) As at the reporting date, the notional principal values of financial instruments were as follows:

	The Group	
	2023	**2022**
	$'M	**$'M**
Interest rate and forward start interest rate swaps	4,892	5,245
Forward foreign exchange contracts	821	523
Cross currency swaps	1,017	780
	6,730	6,548

The maturity profile of these financial instruments was:

	The Group	
	2023	**2022**
	$'M	**$'M**
Not later than 1 year	2,484	4,033
Between 1 and 5 years	3,975	2,515
After 5 years	271	–
	6,730	6,548

The Company does not have any commitment as at reporting date.

36 Financial Guarantee Contracts and Contingent Liabilities

The Group accounts for its financial guarantees as financial liabilities. 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 their subsidiaries and joint ventures.

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'M	**$'M**	**$'M**	**$'M**
(a) Guarantees given to banks to secure banking facilities provided to:				
- subsidiaries	–	–	5,348	4,522
- joint ventures	5	4	–	–
	5	4	5,348	4,522

(b) Undertakings by the Group:

(i) As at 31 December 2023, two subsidiaries of the Group have pledged their shares in joint ventures for term loan and revolving facilities of $1,128 million (2022: $1,076 million) obtained by the joint ventures. As at 31 December 2023, the amount outstanding was $934 million (2022: $982 million).

(ii) As at 31 December 2023, a subsidiary of the Group has provided several undertakings on cost overrun, security margin and interest shortfall issued on a 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 $1,260 million (2022: $631 million) granted to joint ventures. As at 31 December 2023, the amounts outstanding under the term loan was $1,002 million (2022: $478 million).As at 31 December 2023, the amounts outstanding under the term loan was $1,002 million (2022: $478 million).

(iii) As at 31 December 2023, a subsidiary of the Group has provided several undertakings on cost overrun and interest shortfall issued on a several basis, in respect of loan facility amounting to $44 million (2022: $48 million) granted to a joint venture. As at 31 December 2023, the amounts outstanding under the term loan was $34 million (2022: $38 million).

(iv) As at 31 December 2023, a subsidiary of the Group has provided several undertakings on cost overrun, security margin and/or 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 $293 million (2022: $351 million) granted to joint ventures. As at 31 December 2023, the amounts outstanding under the term loan and revolving construction facilities was $175 million (2022: $224 million).

(v) Certain subsidiaries of the Group in China, whose principal activities are the trading of development properties, would in the ordinary course of business act as guarantors for the bank loans taken by the buyers to finance the purchase of residential properties developed by these subsidiaries. As at 31 December 2023, the outstanding notional amount of the guarantees amounted to $254 million (2022: $424 million).

(c) Government assistance

In response to the economic impacts of the COVID-19 pandemic, the governments of France and Japan introduced various financial support schemes, which provided guarantees for bank loans borrowed by the Group's subsidiaries amounting to $38 million issued by the respective banks in 2022. As at 31 December 2023, the loans borrowed by the subsidiaries in Japan has been fully repaid and the amount outstanding under the loan facility that was borrowed by a subsidiary in France was $26 million. Interest rate for the guaranteed loans was at 1.00% (2022: 0.21% to 1.11%) per annum.

The Group determined that the interest rate for an equivalent loan issued on an arm's length basis without the guarantee was at 5.13% (2022: 0.69% to 3.11%) per annum. There are no unfulfilled conditions or contingencies for the government assistance as 31 December 2023.

37 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 and CEOs of the strategic business units, to be key management personnel in accordance with SFRS(I) 1-24 *Related Party Disclosures*.

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	
	2023	**2022**
	$'M	**$'M**
Related corporations of ultimate holding company		
Management fee income	26	17
Rental income	5	3
Utilities expenses	(9)	(12)
Telecommunication expenses	(7)	(5)
Other expenses	(4)	(8)
Payables included in trade and other payables and non-current liabilities	#	(1)
Receivables included in trade and other receivables	2	14
Purchase consideration for the acquisition of investment	–	147
Investment in a joint venture[1]	41	23
Associates and joint ventures		
Management fee income	495	443
Construction and project management income	17	19
Rental expense	(18)	(11)
Proceeds from the sale of investments	251	556
Acquisition and divestment fees, accounting service fee, marketing income and others	135	178
Key management personnel		
Purchase of fixed rate notes issued by a subsidiary	–	2
Remuneration of key management personnel		
Salary, bonus and other benefits	25	25
Employer's contributions to defined contribution plans	#	#
Equity compensation benefits	23	30
	48	55

\# *Less than $1 million*
[1] *Investments include loans and/or capital contributions*

38 Subsequent Events

(a) On 4 January 2024, the Group's subsidiary, Sycamore Company Limited, completed the acquisition of a project in Binh Duong Province, Vietnam, with an acquisition price of VND5,086 billion (S$285 million).

(b) On 9 January 2024, the Group's wholly-owned subsidiary, The Ascott Limited (TAL) and CapitaLand Wellness Fund (C-WELL), an associate of the Group, jointly acquired a freehold lodging property in Singapore. TAL and C-WELL each holds a 50% stake in the lodging property, which will be upgraded and rebranded as lyf Bugis Singapore (lyf Bugis). The renovation is expected to be completed by the second quarter of 2024.

(c) On 5 February 2024, the Group's subsidiary, CapitaLand Malaysia Trust (CLMT) entered into a conditional sale and purchase agreement to acquire three freehold ready-built factories located at the Nusajaya Tech Park in Iskandar Malaysia, Johor from Nusajaya Tech Park Sdn. Bhd. (Nusajaya) for a consideration of MYR27 million (S$8 million). CapitaLand Group Pte. Ltd., the immediate holding company of the company, holds a 60% stake in Nusajaya. This transaction, subject to fulfilment of conditions by the vendor, is expected to be completed by the fourth quarter of 2024.

(d) On 14 February 2024, the Group's subsidiary, CLI announced that it has established the CapitaLand Ascott Residence Asia Fund II (CLARA II), CLI's second private fund that focuses on serviced residence and coliving assets. With a target equity size of US$600 million (approximately $800 million), CLARA II will invest in properties located in gateway cities in key developed Asia Pacific markets. Seed assets of CLARA II include a 50% stake in lyf Bugis and a 100% stake lyf Shibuya Tokyo, Japan that the fund will acquire from the Group. CLI will hold a 20% sponsor stake in CLARA II while the remaining 80% will be held by third-party institutional investors.

(e) On 1 March 2024, the Group's subsidiary, The Work Project Sydney Pty Ltd ("TWPAU"), partnered with Dexus Holdings Pty Ltd ("Dexus") to form a 50:50 joint venture, where The Work Project Kingdom Pte Ltd ("TWPK") sells a 50.0% stake in TWPAU to Dexus at an approximate consideration of AUD1.0 million, being the Adjusted Net Asset Value of TWPAU as at the date of completion; and Dexus transfers all its business interests and fixed assets in four flexible workspaces operating under the Dexus Place brand to TWPAU at zero cost.

39 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 2023:

- SFRS(I) 17: *Insurance Contracts*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*

Other than disclosed below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

Financial guarantee contracts.

On 1 January 2023, the Group changed its accounting policy with respect to the accounting of financial guarantee contracts. Prior to 1 January 2023, the Group had regarded financial guarantee contracts as insurance contracts under SFRS(I) 4 Insurance Contracts. SFRS(I) 17 Insurance Contracts replaces SFRS(I) 4 for annual periods beginning on or after 1 January 2023. On transition to SFRS(I) 17, the Group made an irrevocable election to apply SFRS(I) 9 Financial Instruments, on a contract-by-contract basis, to all financial guarantee contracts. This change in accounting policy was applied retrospectively. There was no impact on the statement of financial position and the opening accumulated profits as at 1 January 2022 as a result of the change as the carrying amount of the financial guarantee contracts at the date of transition was assessed to be nil.

Global minimum top-up tax

The Group has adopted Amendments to SFRS(I) 1- 12 *International Tax Reform – Pillar Two Model Rules* upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by OECD, and required new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. However, because no new legislation to implement top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred tax was recognised as that date, the retrospective application has no impact on the Group's consolidated financial statements.

Material accounting policy information

The Group adopted Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments required the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in note 2 *Material accounting policies* in certain instances in line with the amendments.

The Group has not early adopted the new standards, interpretations and amendments to standards (collectively, Changes) which are effective for annual periods beginning after 1 January 2023, in preparing these consolidated financial statements. These Changes are not expected to have a significant impact on the Group's financial statements.