



For immediate release

NEWS RELEASE

**CapitaLand achieves FY 2019 PATMI of S\$2.14 billion,  
year-on-year increase of 21.2%**

- *Proposes ordinary dividend of 12 Singapore cents per share*
- *Achieves full-year ROE of 10.0% - the highest in 10 years*

**Singapore, 26 February 2020** – CapitaLand Limited achieved a total **PATMI** of S\$2,135.9 million in FY 2019, 21.2% higher than the S\$1,762.5 million for FY 2018. **Operating PATMI**<sup>1</sup> was S\$1,057.2 million, a record high for the Group. This was driven by contributions from Ascendas-Singbridge (ASB) businesses<sup>2</sup>, assets acquired in FY 2018 and assets that turned operational in FY 2019. Full-year **ROE** rose to 10.0% from 9.3% in FY 2018, the Group's first double-digit ROE in almost 10 years.

For 4Q 2019, **PATMI** was S\$926.6 million, 94.8% higher than 4Q 2018. The increase was mainly due to better operating performance, higher gains from asset recycling and revaluation of investment properties. **Operating PATMI**<sup>1</sup> grew 95.7% to S\$418.3 million in 4Q 2019. This was mainly attributed to contributions from ASB businesses and higher recurring income from investment properties in Singapore and China.

**Revenue** for 4Q 2019 grew 46.3% to S\$2,375.9 million, mainly due to the consolidation of ASB and Raffles City Chongqing as well as higher contributions from Singapore and China malls and lodging properties in the USA. This was partially offset by lower contributions from the residential properties in Singapore and Vietnam. The residential developments contributing to revenue in the quarter were Raffles City Residences in Chongqing, Vermont Hills in Beijing and Parc Botanica in Chengdu, China; as well as Marine Blue in Singapore.

For FY 2019, **EBIT** was S\$5,067.6 million, an increase of 22.3% from the S\$4,145.0 million in FY 2018. Singapore and China markets remain the key contributors to EBIT, accounting for 83.7% of total EBIT for the year.

Notwithstanding the Group's strong financial results, the Board is proposing a final ordinary dividend of 12 Singapore cents per share for FY 2019, unchanged from FY 2018. This prudent approach will enable the Group to remain resilient during this period of uncertainty brought about by the COVID-19 situation.

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<sup>1</sup> Operating PATMI refers to profit from business operations excluding any gains or losses from divestments, revaluations and impairments.

<sup>2</sup> The Group completed the acquisition of ASB on 28 June 2019 and ASB businesses contributed to the Group's 2H 2019 profit or loss.

## Financial highlights

	<b>FY 2019 (S\$ m)</b>	<b>FY 2018 (S\$ m)</b>	<b>Variance (%)</b>	<b>4Q 2019 (S\$ m)</b>	<b>4Q 2018 (S\$ m)</b>	<b>Variance (%)</b>
Revenue	6,234.8	5,602.4	11.3	2,375.9	1,624.5	46.3
Earnings before interest and tax (EBIT)	5,067.6	4,145.0	22.3	1,933.3	1,132.2	70.8
Total PATMI	2,135.9	1,762.5	21.2	926.6	475.7	94.8
Operating PATMI <sup>1</sup>	1,057.2	872.2	21.2	418.3	213.8	95.7

Mr Ng Kee Choe, Chairman of CapitaLand Limited, said: “We achieved improved all round performance in 2019, underpinned by sustained growth momentum and a larger and more diversified platform following the combination with Ascendas-Singbridge. Our PATMI grew to S\$2.14 billion and our ROE increased to 10.0%, exceeding our cost of equity for the third consecutive year. Our strong fundamentals position us well to address the challenges brought about by the outbreak of COVID-19 as we steadfastly continue our efforts to grow our business and deliver long term sustainable value. Meantime, we will spare no efforts in safeguarding the well-being of our staff, tenants and patrons during this period.”

Mr Lee Chee Koon, Group CEO of CapitaLand Group, said: “We completed the merger with Ascendas-Singbridge in June last year and this strategic transaction has yielded positive outcomes for CapitaLand. Through a disciplined approach towards capital recycling and management, we have lowered our net debt-to-equity ratio to 0.63x by end 2019, one year ahead of schedule<sup>3</sup>. With a strong balance sheet, CapitaLand is well-positioned to continue to pursue growth and be ready to seek counter-cyclical opportunities.”

“The sudden outbreak of COVID-19 has definitely affected our businesses and those of our partners and tenants, especially in China and Singapore. The extent of the impact will depend on how long the outbreak lasts. Nevertheless, we remain positive on the long-term fundamentals for Singapore and China. Our priority is to ensure the well-being of our staff, tenants and patrons. At the same time, we will proactively manage our business, including giving targeted relief measures to tenants and contributing to efforts to help the community and medical staff dealing with COVID-19. CapitaLand will fight and ride through this difficult period together with our stakeholders.”

As a show of togetherness and solidarity with its stakeholders, Board members and senior management will take a reduction in their board fee and base salary, from 5% to 15% effective from 1 April 2020. The Group has also imposed a wage freeze for all staff at managerial level and above. These measures will be reviewed after six months or when the position arising from the COVID-19 outbreak has stabilised.

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<sup>3</sup> CapitaLand had earlier announced its target of lowering net debt-to-equity ratio to 0.64x by end 2020.

To further support CapitaLand's retail partners, a portion of the compensation for its managerial staff in Singapore will be paid in CapitaVouchers<sup>4</sup> for use in CapitaLand malls. About S\$2 million worth of CapitaVouchers<sup>4</sup> will be distributed in total. CapitaLand will continue to monitor the situation and is prepared to render more assistance if and when needed.

Through its philanthropic arm, CapitaLand Hope Foundation, CapitaLand has also pledged about S\$2.3 million in donations, as a start, to support healthcare workers and affected communities in Singapore and China.

Please refer to the **Annex** for more information on CapitaLand's relief measures and community support for stakeholders affected by COVID-19.

#### Changes in Financial Reporting and Asset Valuation Frequency

Starting FY 2020, CapitaLand will be adopting the option for semi-annual reporting and complying with continuous disclosure requirements in Singapore, as announced by Singapore Exchange Regulation (SGX Regco) on 9 January 2020. CapitaLand will also commence conducting its asset valuation on an annual year-end basis. The Group believes these changes will encourage investors to focus more on the sustainability of its earnings, and to take a longer-term view of the business.

#### **About CapitaLand Limited ([www.capitaland.com](http://www.capitaland.com))**

CapitaLand Limited (CapitaLand) is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth over S\$131.9 billion as at 31 December 2019. CapitaLand's portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 200 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages seven listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. Since it pioneered REITs in Singapore with the listing of CapitaLand Mall Trust in 2002, CapitaLand's REITs and business trusts have expanded to include Ascendas Real Estate Investment Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

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<sup>4</sup> Part of the [CapitaVouchers](#) will be distributed in the form of STAR\$<sup>®</sup>, the rewards point for [CapitaStar](#), which can be exchanged for CapitaVouchers and its digital version eCapitaVouchers, in addition to merchant deals.

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**Issued by: CapitaLand Limited (Co. Regn.: 198900036N)**

Analyst contact

Grace Chen  
Head, Investor Relations  
Tel: +65 6713 2883  
Email: [grace.chen@capitaland.com](mailto:grace.chen@capitaland.com)

Media contact

Tan Bee Leng  
Head, Group Communications  
Tel: +65 6713 2871  
Email: [tan.beeleng@capitaland.com](mailto:tan.beeleng@capitaland.com)

*For the full CapitaLand Limited financial statement and presentation, please visit [www.capitaland.com](http://www.capitaland.com).*

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The past performance of CapitaLand or any of the listed funds managed by CapitaLand Group ("CL Listed Funds") is not indicative of future performance. The listing of the shares in CapitaLand ("Shares") or the units in the CL Listed Funds ("Units") on the Singapore Exchange Securities Trading Limited (the "SGX-ST") does not guarantee a liquid market for the Shares or Units.

This release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares or Units.

## **Annex: CapitaLand's relief measures and community support for stakeholders affected by COVID-19**

### Relief measures for retailers

- From 14 February 2020 until further notice, retailers operating in CapitaLand malls in Singapore have been offered the flexibility to operate shorter store hours. CapitaLand has further set up a S\$10 million marketing assistance programme to support retailer-driven initiatives and mall-wide promotions to boost consumer spending.
- In response to Singapore Budget 2020, CapitaLand will pass on the full savings of the Government's property tax rebate for qualifying commercial properties to its retailers. For those who heed the Singapore Government's call to upskill their employees during this period, there are plans to offer relevant training programmes under CapitaLand's signature Biz+ Series of tenant engagement events.
- Over and above the Budget 2020 measures, CapitaLand will roll out additional support measures, including rental relief, as part of its commitment to build sustainable partnerships with its retailers. As COVID-19 has impacted different malls and trade categories in Singapore by varying degrees, the rental relief will be disbursed to tenants in a targeted manner. CapitaLand will offer various forms of support which may include flexible rental payments and a one-time rental rebate of up to half-a-month for eligible tenants. In addition, to ease cashflows for its mall tenants in Singapore, CapitaLand will release one month security deposit to offset rental payments for the month of March 2020.
- During China's extended Spring Festival break, CapitaLand malls in different Chinese cities were requested by the local governments to either operate shorter hours or close temporarily. To assist China retailers affected by these directives, CapitaLand has waived the rent and property management fees for its four malls in Wuhan for about three weeks. Malls outside Wuhan have both charges halved for about two weeks. Retailers in China who leverage CapitaLand's CapitaStar platform to reach out to shoppers are given incentives to help defray their costs.

### Support for tenants' and clients' business continuity plans (BCP)

- CapitaLand has set aside workspace for tenants who require quick setups of alternate sites as part of their BCP. This includes about 70,000 square metres of space as well as more than 200 coworking seats in its business park, industrial and logistics properties in Singapore. The workspace will be offered at special packages and flexible lease terms.
- For business users who require plug-and-play BCP space solutions in Singapore's central business district, CapitaLand will be offering special packages in coworking spaces operated by its joint venture partner The Work Project.
- During this period, CapitaLand's wholly owned lodging unit, The Ascott Limited (Ascott), is making apartment units available in Singapore to support the additional accommodation needs of its corporate clients as part of their BCP. Ascott is also

proactively extending assistance to guests whose travel plans to China have been disrupted. This includes accommodating its guests if they need to stay longer and waiving cancellation fees for guests who have to change their travel plans.

#### Support for healthcare workers and the community

- CapitaLand, through its philanthropic arm, CapitaLand Hope Foundation (CHF) has set up a RMB10 million healthcare fund on 27 January 2020 to support China's COVID-19 relief efforts. The first phase of the fund is disbursed to support immediate intervention such as the procurement of critical medical supplies for hospitals. Post-emergency, the fund will support nationwide healthcare and rehabilitation efforts in China. The healthcare fund is administered by the China Foundation for Poverty Alleviation and is under the guidance of China's National Health Commission and relevant authorities in Hubei Province.
- In under a month, four dispatches were made, delivering 40,000 surgical masks, 500 barrels of disinfectant, 375,000 pairs of medical gloves, 50 medical ventilators and two negative pressure ambulances to six hospitals in Wuhan. The swift response has attracted like-minded corporate donors in Singapore to contribute to the healthcare fund, doubling the fund size to about RMB20 million. This will boost CHF's relief efforts on the ground.
- In Singapore, CapitaLand, through CHF, was the first corporate donor to pledge S\$300,000 towards The Courage Fund to support vulnerable groups in Singapore affected by COVID-19. These include patients, healthcare workers and members of the community. CapitaLand staff and the public are encouraged to donate to the fund at <https://www.comchest.sg/chf>. Beyond monetary donations, CHF is working with the National Council of Social Service and Community Chest to identify opportunities for CapitaLand staff volunteers to further contribute their time and support these vulnerable groups.

#### Precautionary measures and BCP

- Across its properties globally, the Group has taken precautionary measures in accordance with guidelines from the respective local authorities, while putting in place BCP to enable its critical activities to continue with minimal impact to operations.
- In Singapore where CapitaLand is headquartered, split team arrangements and alternative work sites are in place to mitigate the risk of cross-infection. As part of stepped-up measures under orange-level alert in Singapore, visitors to CapitaLand's commercial, business park and lodging properties are required to take their temperature and provide health and travel declarations before entering. Shoppers at CapitaLand malls are required to adhere to store-level temperature screening, where relevant.