CapitaLand Limited & CapitaMalls Asia Limited

Award of Prime Site for Landmark Mixed Development in Chongqing

CapitaLand

CapitaMalls Asia 凯德商用

Outline

- Project Highlights
- Chongqing Information and Site Details
- Positioning of Chao Tian Men Project
- Operational Assets in China by Net Asset Value
- Appendix

Project Highlights

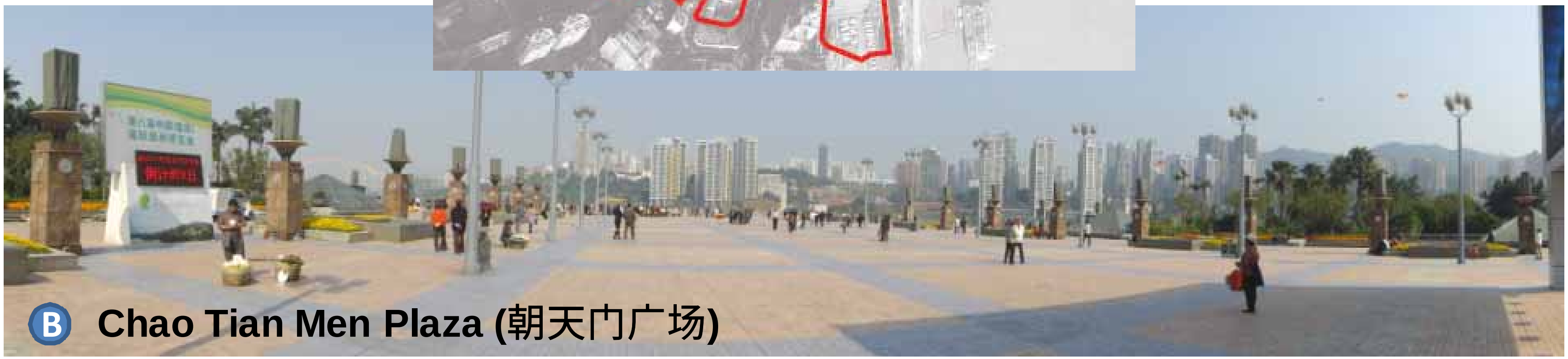
Project Highlights

- **Securing foothold in Chongqing, a population of 33 million**
  - Only centrally-administered municipality situated in inland China
  - Strong GDP growth of >15% p.a. over past 5 years, well above national average of 11.2%
  - Resilient economic model that is more dependent on domestic market and its rapid industrialization and urbanization process
- **Located at the strategic gateway to Chongqing at Chao Tian Men, facing the confluence of Yangtze River (east) and Jialing River (south)**
- **Landmark development comprising a shopping mall and eight towers for residential, office, serviced residence and hotel use**
- **Integrated with transport hub for metro station, bus interchange, ferry terminal and cruise centre**
- **Renowned architect Moshe Safdie appointed to design landmark development**

Proposed Landmark Mixed Use Development

Chao Tian Men Site Location

Site Perspective



Site Perspective

Chao Tian Men (朝天门) Project Brief

Overall	A landmark mixed development comprising a shopping mall and eight towers for residential, office, serviced residence and hotel use.
Site Area	91,783 sq m
Total GFA (excluding car park & transport hub)	817,000 sq m 8.9 x Plot Ratio
Stakes in the Project	• CapitaLand (via CCH) and CMA - 25% each • Singbridge Holdings - 30% • Unrelated party - 20%
Land cost	RMB 6.536 billion (RMB8,000psm on GFA)
Estimated Total PDE (100% basis)	RMB 21.1 billion (~RMB25,800psm on GFA) Approximately HK$ 25.9 billion Approximately S$ 4.1 billion
Land use Tenure	Commercial: 40 years Residential: 70 years

Perspective – View from the Rivers

Inspiration takes the form of powerful sails upon the river, symbolizing a great city surging forward

Perspective – View from Jie Fang Bei

South-facing facades look back to the city & are covered by green hanging gardens, providing a lush green appearance to the city

Chongqing Information

CapitaLand

CapitaMalls Asia 凯德商用

Chongqing's Remarkable Economic Growth

- **The only centrally-administered municipality situated in inland China**
- **Rapid progression since gaining municipality status in 1997**
  - Last 5 years, average growth of 15.0% p.a., well above national average of 11.2%
  - First 3 quarters of 2011, growth of 16.5% was ranked first in the country
- **Given its massive size, large population and strong support from central government, Chongqing is expected to catch up with eastern seaboard economically and socially**

•Land Area: 82,269 km2

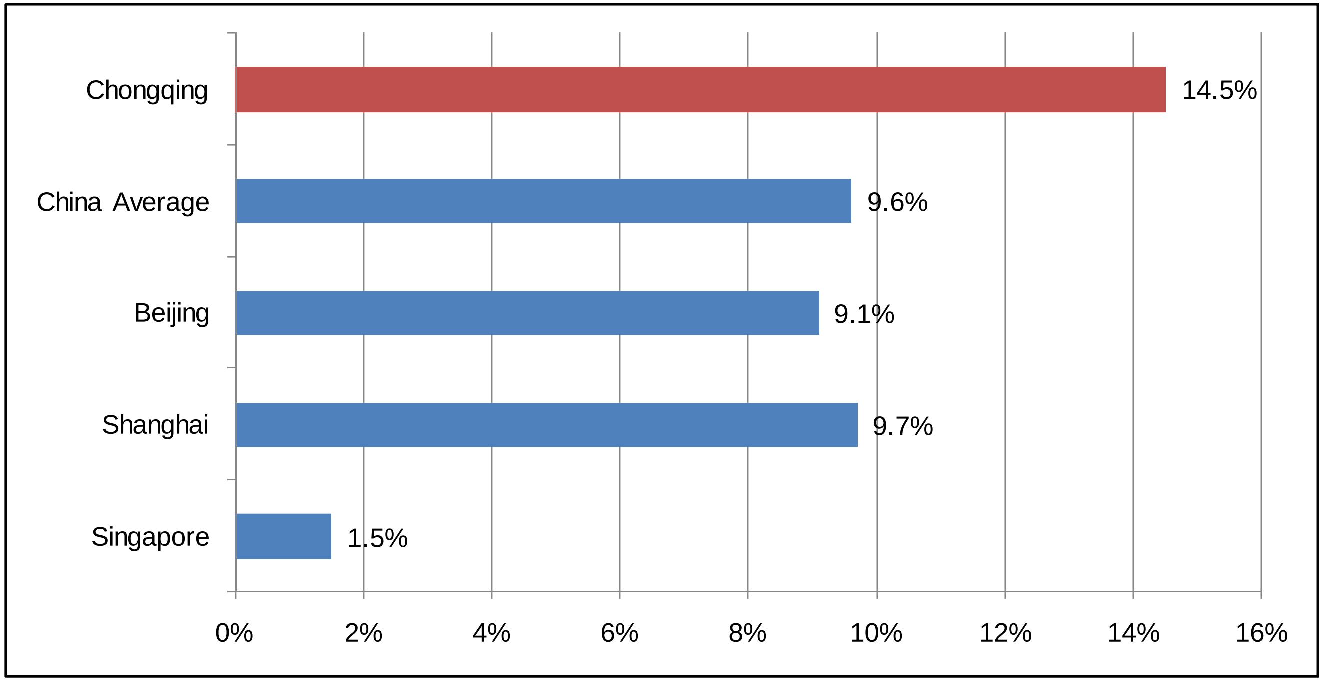
•Population: 33.0 m

Year 2010	Chongqing		Chengdu		Shanghai		Beijing	
	Value	% growth	Value	% growth	Value	% growth	Value	% growth
GDP (RMB bil)	792.6	17.1	555.1	15.0	1,716.6	10.3	1,411.4	10.3
GDP per capita (RMB)	27,596	16.2	35,215 (2009)	n/a	76,074	6.4	75,943	2.4
Disposable Income per capita (RMB)	19,100 (EIU projects 30,000 by 2016)	11.1	20,835	11.7	31,838	10.4	29,073	8.7
Retail Sales (RMB bn)	294	18.5	242	18.8	607	17.3	623	17.3

Chongqing's Resilient Economic Model

- Chongqing economy is more dependent upon domestic market and its rapid industrialization and urbanization process
- With bulk of industrial production going to the domestic market, Chongqing's GDP was less affected by shrinking overseas demand in the last global financial crisis

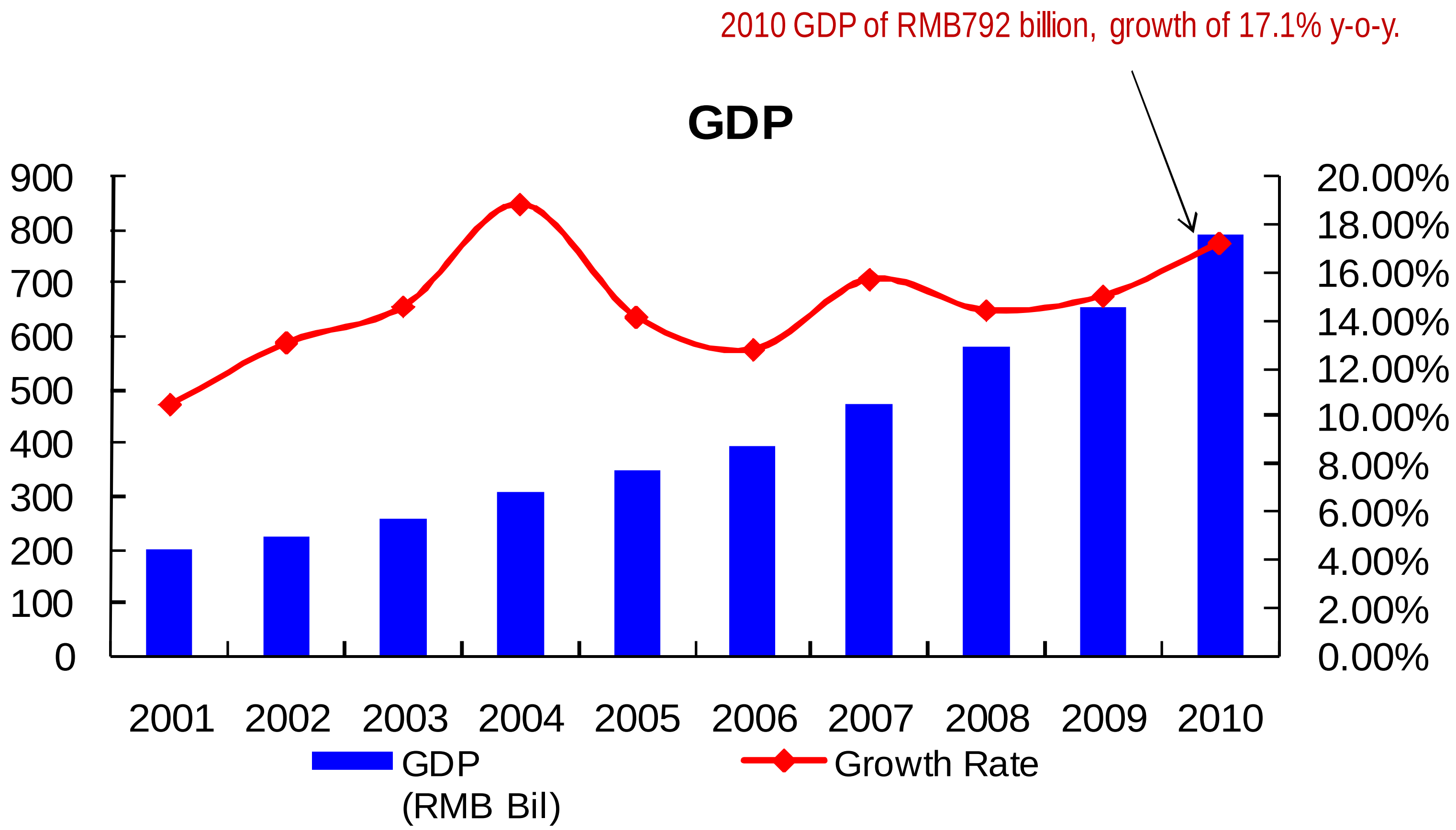
Real GDP Growth in 2008 (Last global financial crisis)



Chongqing's Economic Diversity – Driven by MNCs

Financials	Technology	Retail & Consumer Goods
• DBS	• Microsoft	• Yamaha
• Standard Chartered	• Oracle	• Ford
• Bank of China	• Alcatel-Lucent	• Kirin
• Agricultural Bank of China	• SHELL	• Johnson & Johnson
• HSBC	• Nokia	• Glaxo Smith Kline
• ABN Amro	• Samsung	• Wal-Mart
• ANZ	• GE	• Kraft
	• Philips	• Mazda

Chongqing – Robust Economic Growth



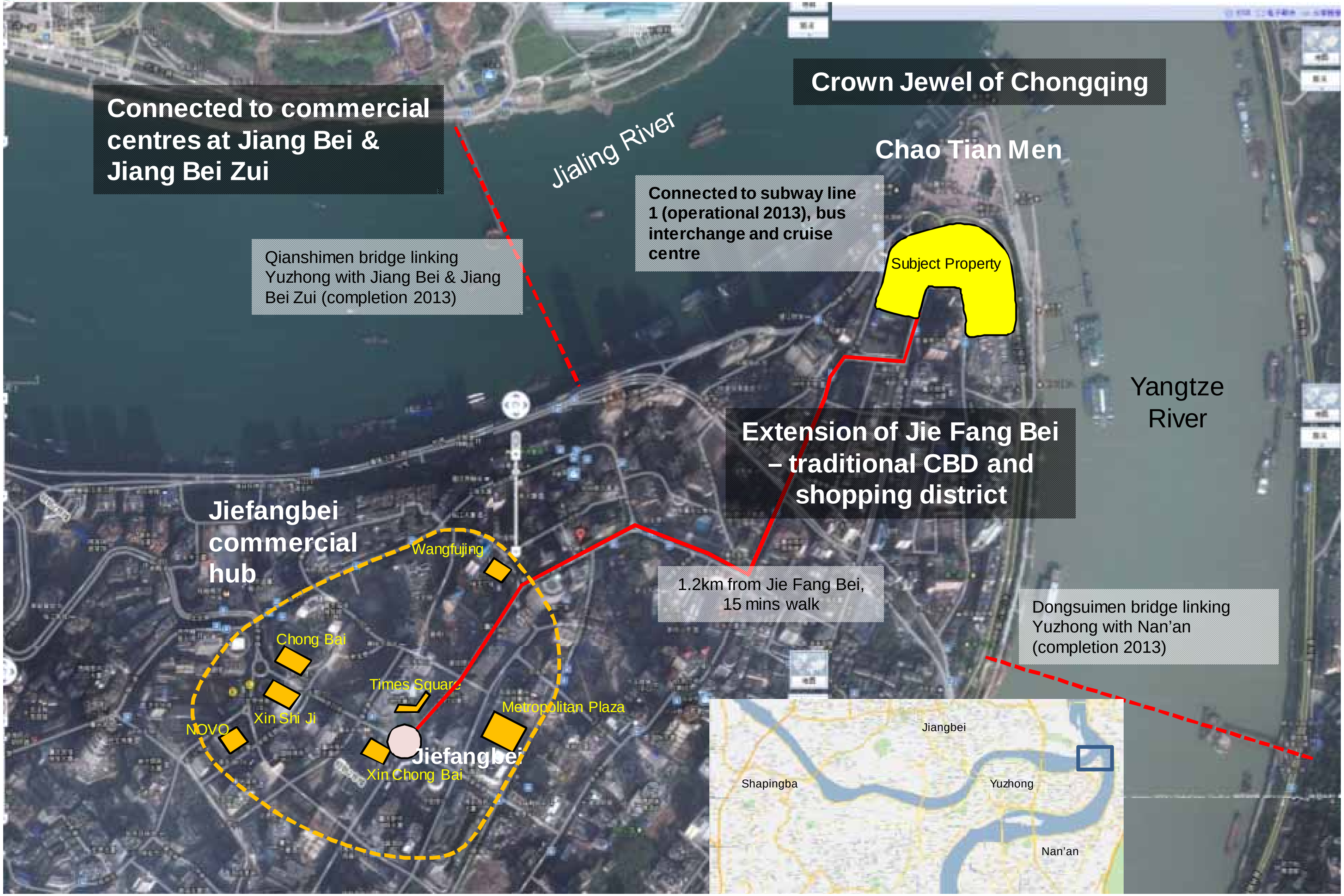
Source: Chongqing Statistics Bureau Year Book

Improving Transport Linkages

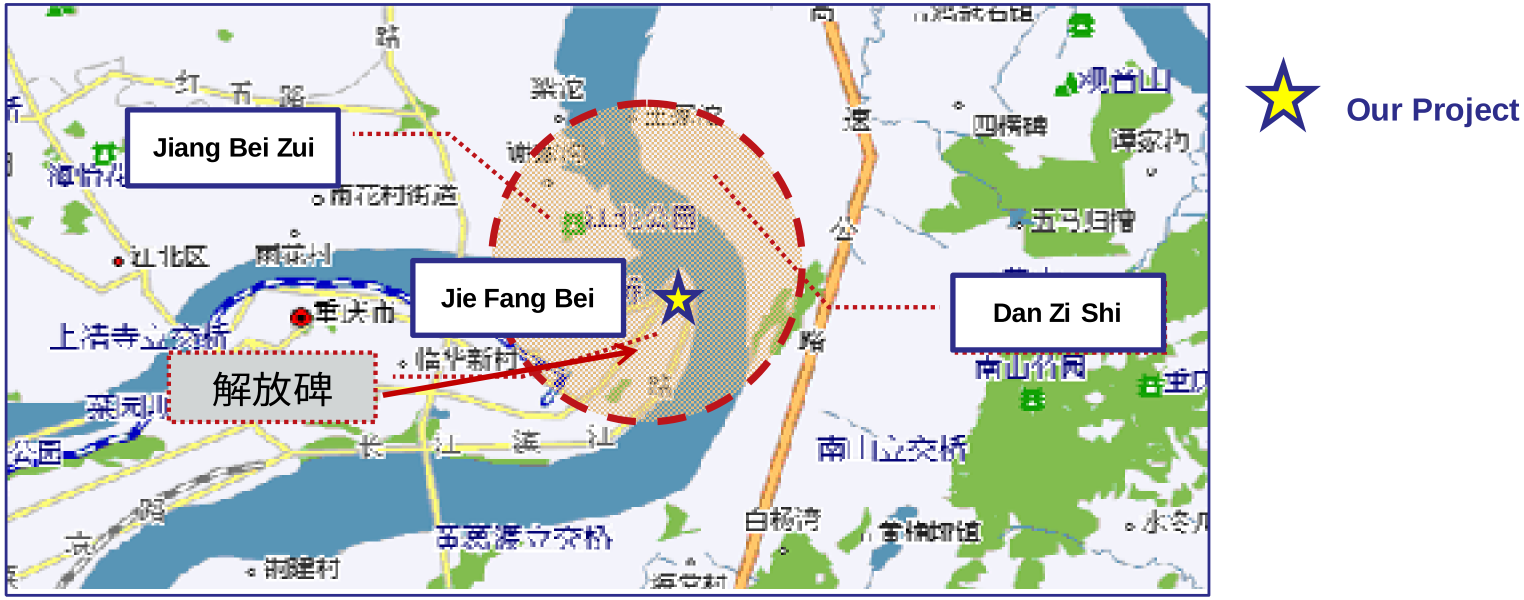
- **More companies considering the move inland to take advantage of lower land and labour costs**
- **Chongqing benefited from its heavy investment in infrastructure & improving international linkages**
- **Joined EU-China Smart & Secure Trade Lines (SSTL) Pilot Project, which aims to speed up customs inspections**
  - Shipments only have to clear international customs once
- **With Chongqing-Xinjiang-Europe railway route, freight time to Europe has been reduced from 36 days by container ships (via China's Eastern seaports) to just <u>13 days</u> by freight trains**

Site Details

Strategically Located



Chongqing's CBD Planning



CBD Area	Situation	Positioning	Major Function	Area (Square Km)
Jiang Bei Zui	New, Under Construction	Commerce	Office Lead	2.3
Jie Fang Bei	Exist, Traditional CBD	Commercial	Retail & office	2
Dan Zi Shi	New, In Plan	Functional Support	Residential, cultural, education etc.	1

- Jie Fang Bei as a traditional CBD rebuilt since 1997; Jiang Bei Zui is under construction; Dan Zi Shi is under planning.

Source: Chongqing's Overall Urban and Rural Planning (2007-2020)

Chongqing's CBD Planning

Our Project located at the heart of CBD

- **Jiefangbei CBD:** Traditional CBD, good business atmosphere. All commercial projects have been sold strata titled except Daduhui Project. Product specifications are low in quality and tenants varied.
- **Jiangbeizui CBD**：Planned CBD under construction. There are Financial Street, Wharf Holdings, China Oversea and other big developers in this district. It is envisaged that there will be some high quality buildings in this district over the next few years. Current business atmosphere will improve.
- **Nanan CBD**：Under planning, unlikely to form business clusters over a short period.

CapitaLand

CapitaMalls Asia
凯德商用

Positioning of Project

CapitaLand

CapitaMalls Asia
凯德商用

Product Positioning

- **<u>Retail</u>: Positioning similar to ION Orchard & Raffles City**
  - Target upper-middle income and high-end shoppers
  - Perimeter along banks facing the rivers will play host to F&B, leisure & entertainment spots – similar to Clarke Quay
- **<u>Residential</u>: Luxury city waterfront living**
  - Exclusive access to skypark with elevated swimming pool
  - Unobstructed views of the city-skyline and river
- **<u>Office</u>: Target MNCs, financial institutions and large Chinese corporations looking for good quality office space & easy accessibility**
- **<u>Hotel</u>: Luxury hotel catering to both leisure & business travellers**
  - Located at the top floors of the central towers
  - Features hotel lobby within sky garden hull, privileged access to skypark and a leading convention centre
- **<u>Serviced Residence</u>: Ascott-branded premium serviced residence catering to senior executives**

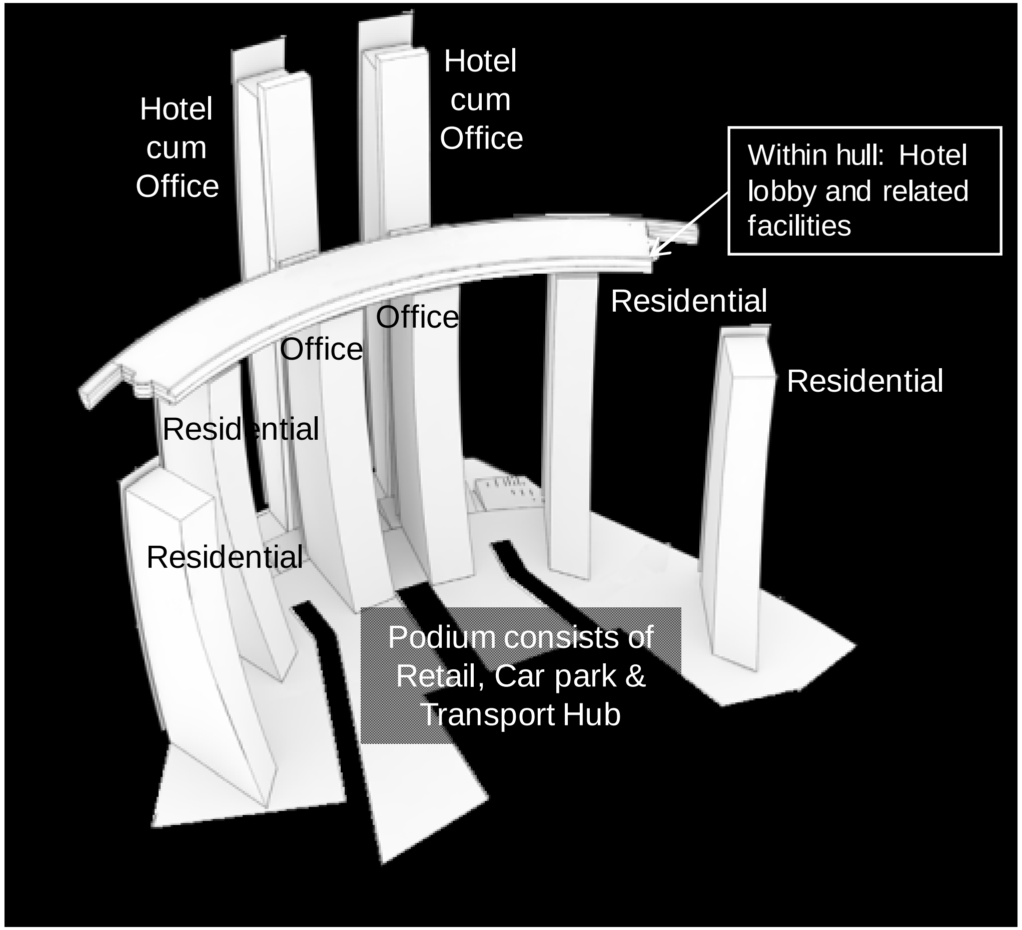
Project Details

- **Designed by renowned architect Moshe Safdie**
- **A 4-storey shopping mall and 8 towers consisting of:**
  - 2 central hotel-cum-office tower (> 70-floor each) directly facing confluence of the rivers
  - 4 office & residential towers behind the central towers, linked by a sky garden which connects to the top floors of the two central towers
  - Unique sky garden hull incorporating hotel lobby & related facilities
  - 2 stand-alone residential towers
- **Retail podium also consists ballrooms & meeting rooms for hotel**
- **Integrated land and water transportation hub**
  - Car park, metro station, bus interchange, ferry terminal and cruise centre

Proposed Asset Plan

Components	Area (sm)
Residential	331,000 (41%)
Office	174,000 (21%)
Shopping Mall	222,000 (27%)
Hotel	60,000 (7%)
Serviced Residence	30,000 (4%)
GRA	**817,000 (100%)**
Transport Hub	42,000
Car Park	178,000
Total Construction Area	**1,037,000**

Source: CapitaLand & CapitaMalls Asia

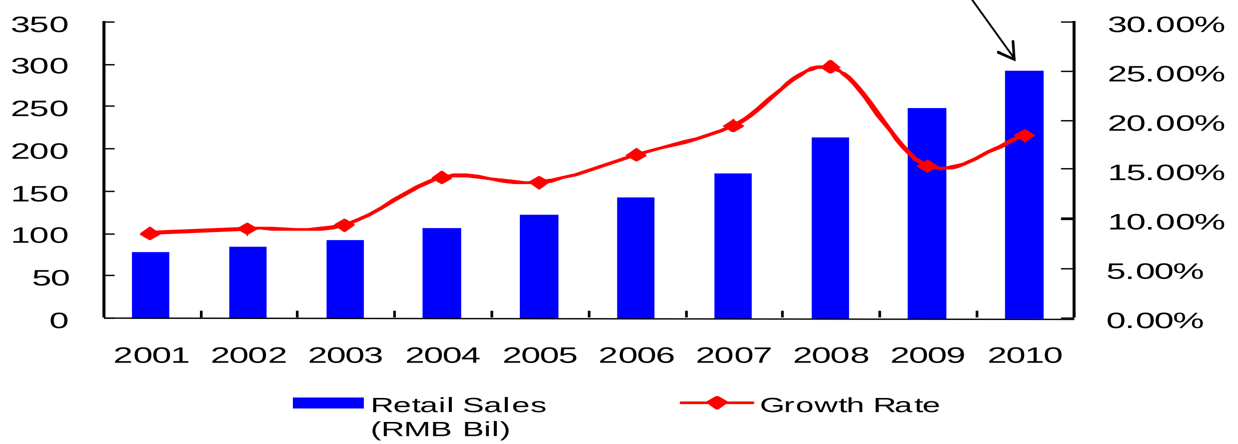


Positioning of Mall

Chongqing’s Economic Indicators

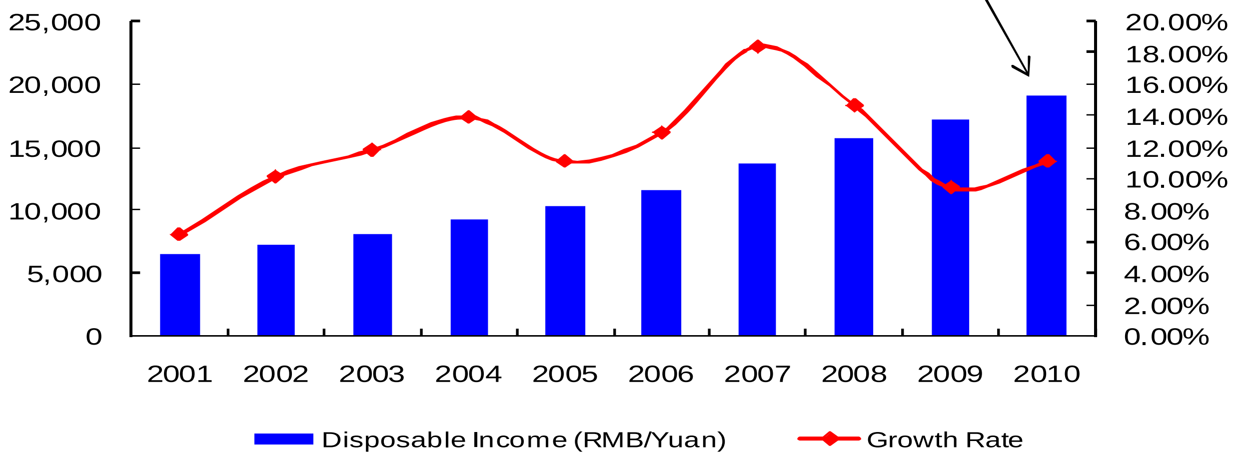
2010 Consumption goods retail sales of RMB 294 billion, growth of 18.5% y-o-y.

Total Retail Sales



2010 disposable income of RMB 19,099 growth of 11.1% y-o-y.

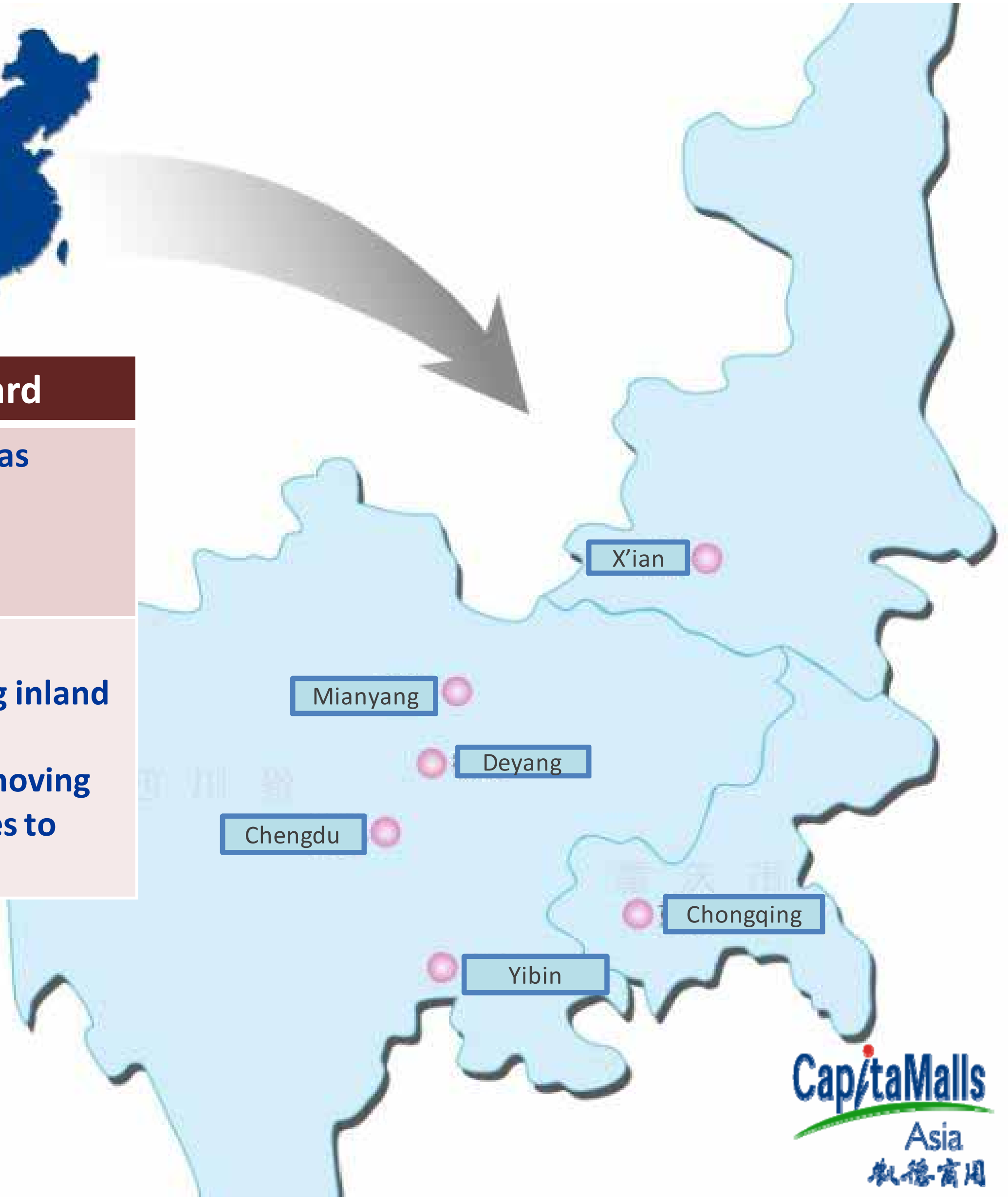
Disposable Income



Source: Chongqing Statistics Bureau Year Book

Strong Tenant Sales Growth in CMA's West China Malls of 32.4%*

Deepening into West China with 12 malls



Year 1980s – 2007	2008 – Moving Forward
SMEs built their plants in the coastal region (E.g. Foxconn, Intel, Hewlett-Packard, IBM)	Industries are moving inland as coastal regions become more expensive and crowded
Workers traveled to coastal cities for work	Suppliers (both upstream & downstream) are also moving inland to be closer Following that, workers are moving back to their hometown/cities to work

* YTD 1H 2011 vs YTD 1H 2010

Two Malls in Chongqing

1. CapitaMall Jiulongpo

Two Malls in Chongqing

2. CapitaMall Shapingba

Acquisition Site is Located Next to Traditional Central Business & Shopping District

Times Square


Metropolitan Plaza

4-storey Prime Shopping Mall

Total Retail GFA: 222,000 sqm

Designed by renowned architect Moshe Safdie

Offering Popular High-Street Labels, New-to-Market Brands

SEPHORA

ZARA

Vivienne Westwood

Luxury and Premium International Brands

Cafes, Wine Bars and Restaurants

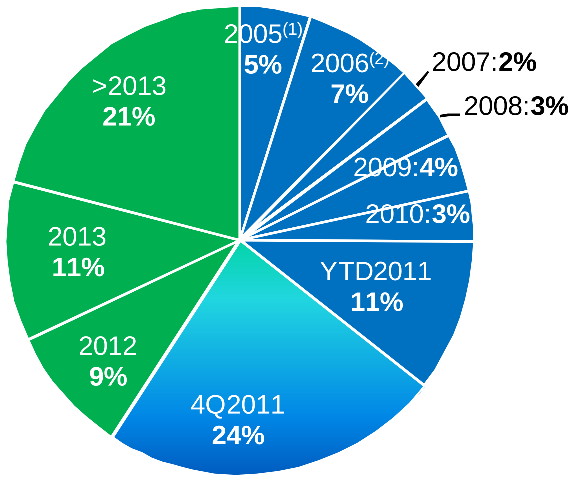
CMA’s Operational Malls in China by Net Asset Value

CMA China: Net Asset Value (NAV) Increase to S$4.3 billion

Pre acquisition of Chongqing site

Pro Forma NAV[3] as at 30 Sep 2011: S$4.0 bil

(Based on effective stakes in property value on a completed basis for properties under development)



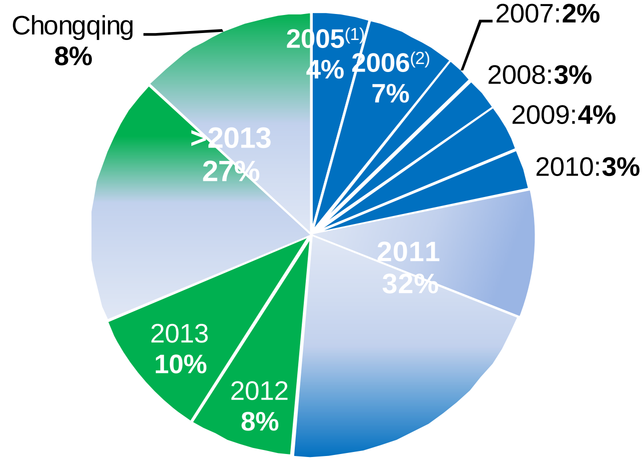
Malls: 55

Operational Malls by end of 2011: 59% by NAV

Post acquisition of Chongqing site

Pro Forma NAV[3] as at 30 Sep 2011: S$4.3 bil

(Based on effective stakes in property value on a completed basis for properties under development)



Malls: 56

Operational Malls by end of 2011: 51% by NAV

Projects under development: property value is calculated based on total estimated project cost

Operational malls

(1) Includes Raffles City Shanghai and CapitaMall Minzhongleyuan

(2) Includes malls under or previously under master lease namely CapitaMall Shuangjing, CapitaMall Anzhen, CapitaMall Erqi and CapitaMall Saihan

(3) For projects under development, we assume a 40% gearing. For those completed, actual debt will be used.

Thank You

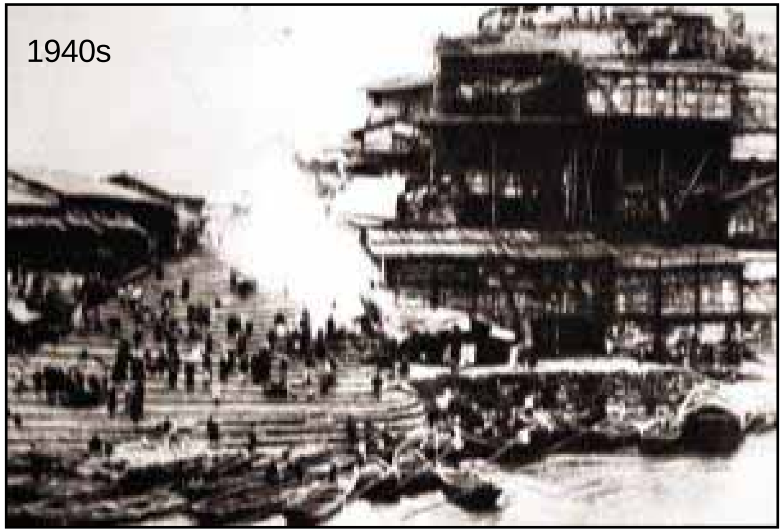
For enquiries from analysts/investors on
CapitaLand Limited,
please contact:
Harold Woo
Investor Relations
Tel: (65) 6823 3210
Email: harold.woo@capitaland.com

For enquiries from analysts/investors on
CapitaMalls Asia,
please contact:
Caroline Fong
Investor Relations
Tel: (65) 6536 1188
Email: caroline.fong@capitaland.com

Appendix

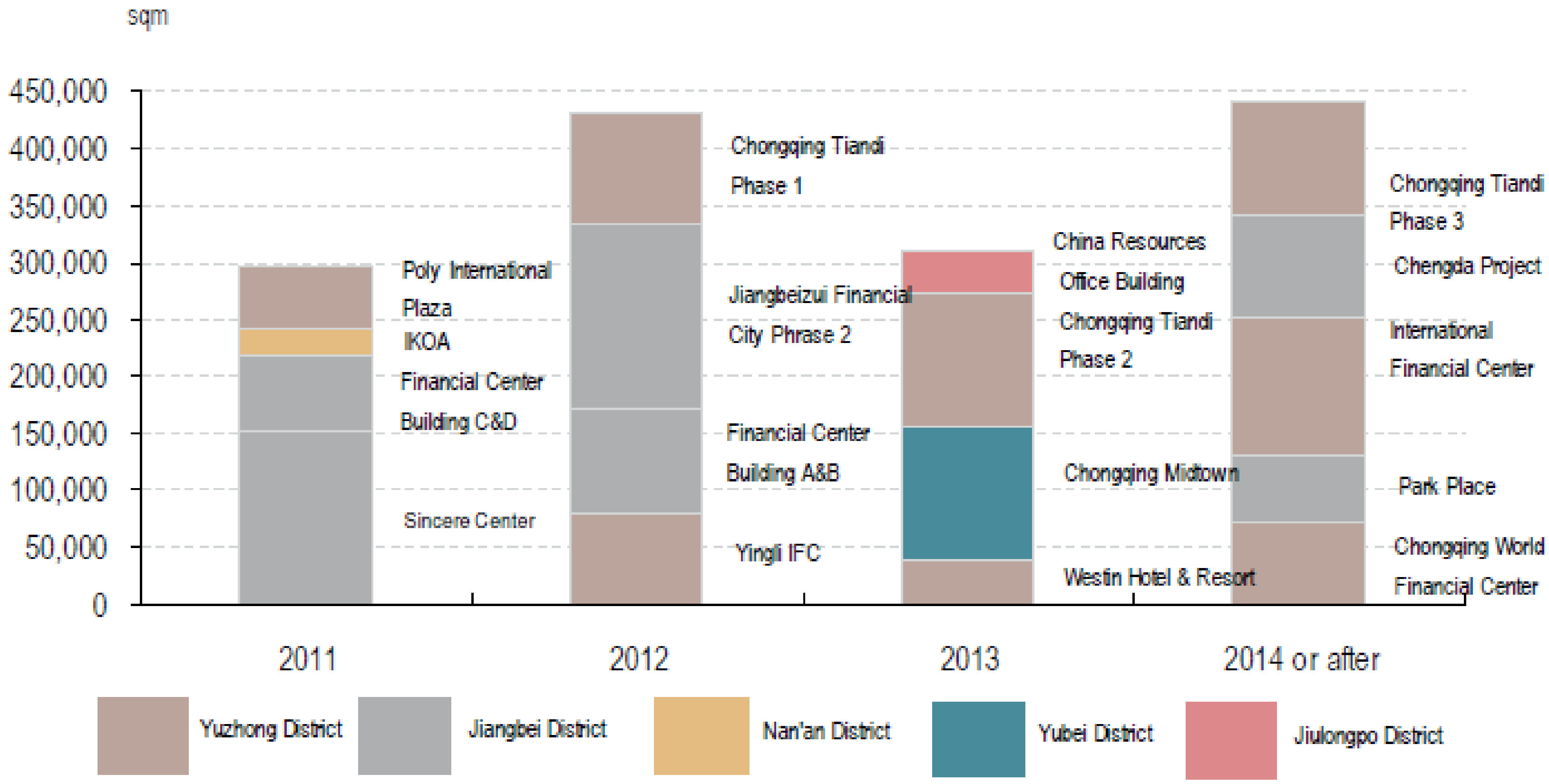
Chao Tian Men 朝天门

- First built around 314 B.C. of Eastern Zhou Dynasty, Chao Tian Men was a vital commercial port and gateway of Chongqing to the outside world
- It was also the place where officials received the imperial decrees of the Emperor
- Chao Tian Men 朝天门 means the gate (门men) to worship (朝chao) the decrees of the emperor (天子 tianzi)



Chongqing Office Future Supply Projection

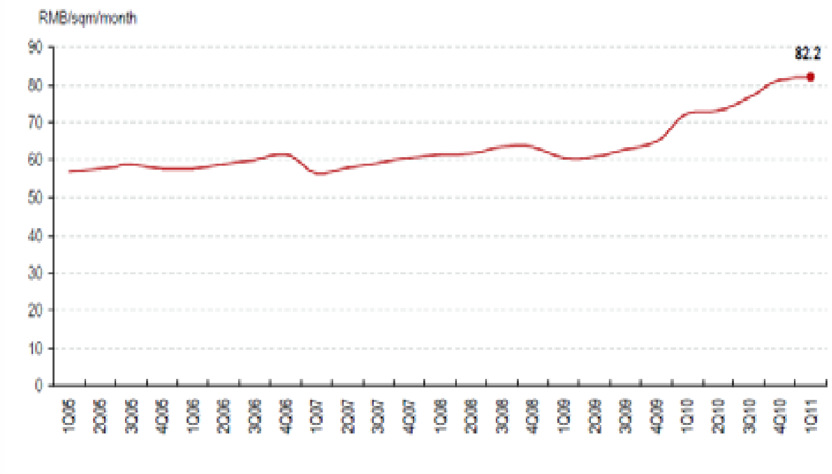
Future Supply will cluster in Yuzhong and Jiangbei District



Source: JLL Chongqing

Chongqing Office Market Performance

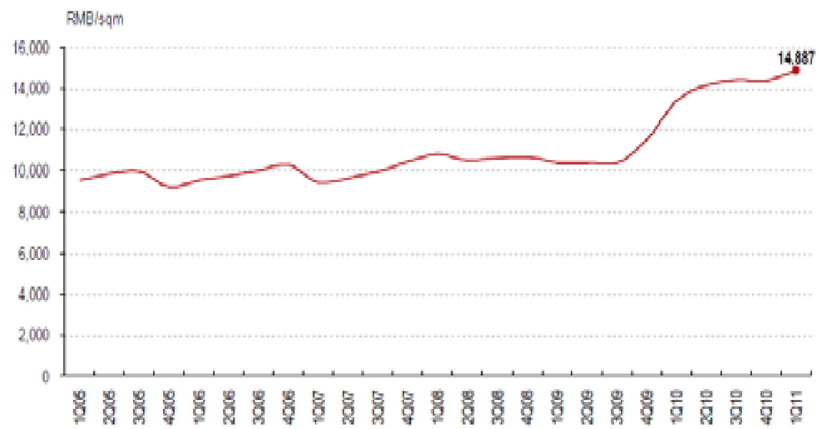
Rent



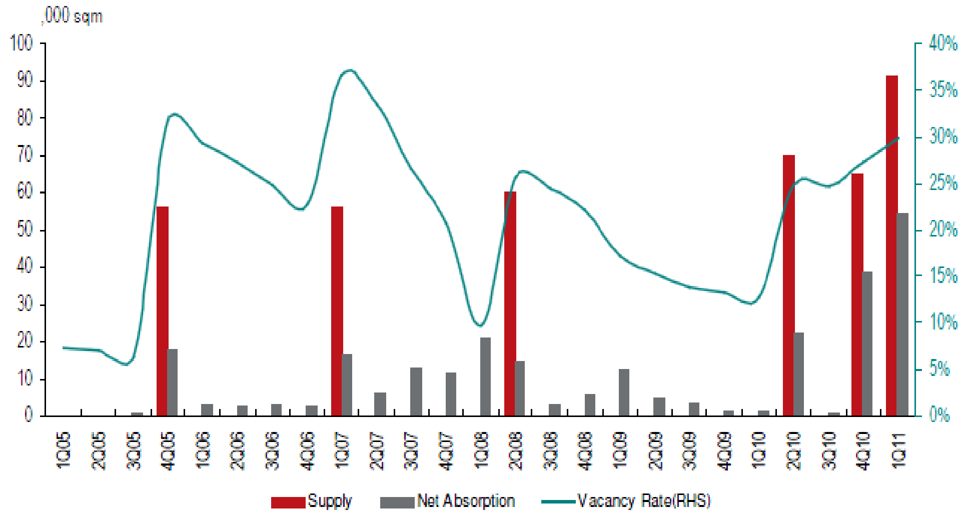
Note: rent is based on GFA.

- Rent and capital value set to rise as more high quality office are completed;
- Self-use occupiers will continue to be the major demand driver;

Capital Value



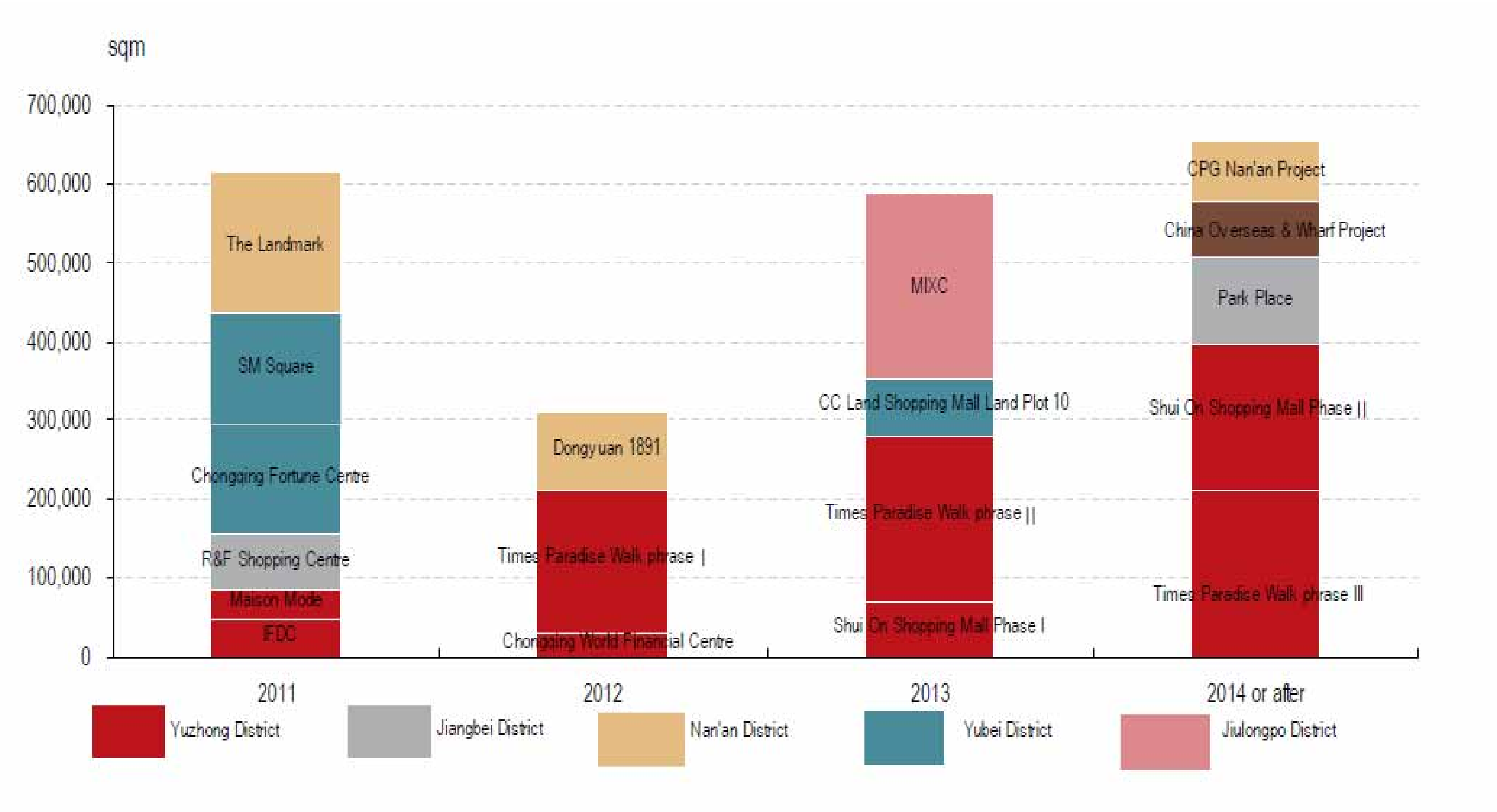
Vacancy Rate



Source: JLL Chongqing

Chongqing Retail Future Supply Projection

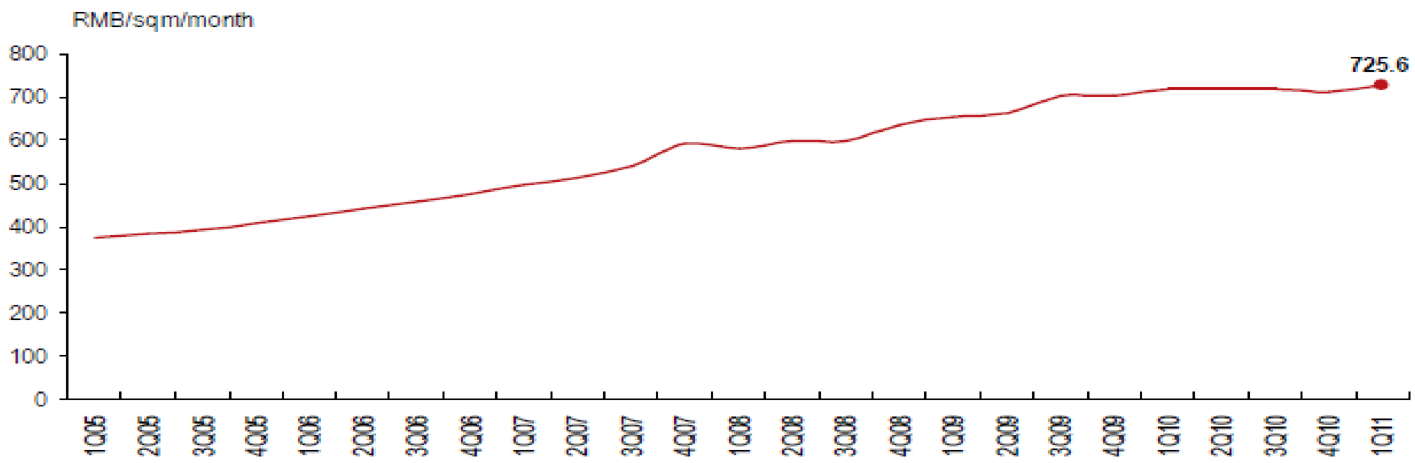
Future Supply will cluster in Jiefangbei



Source: JLL Chongqing

Chongqing Retail Market Performance

Rent



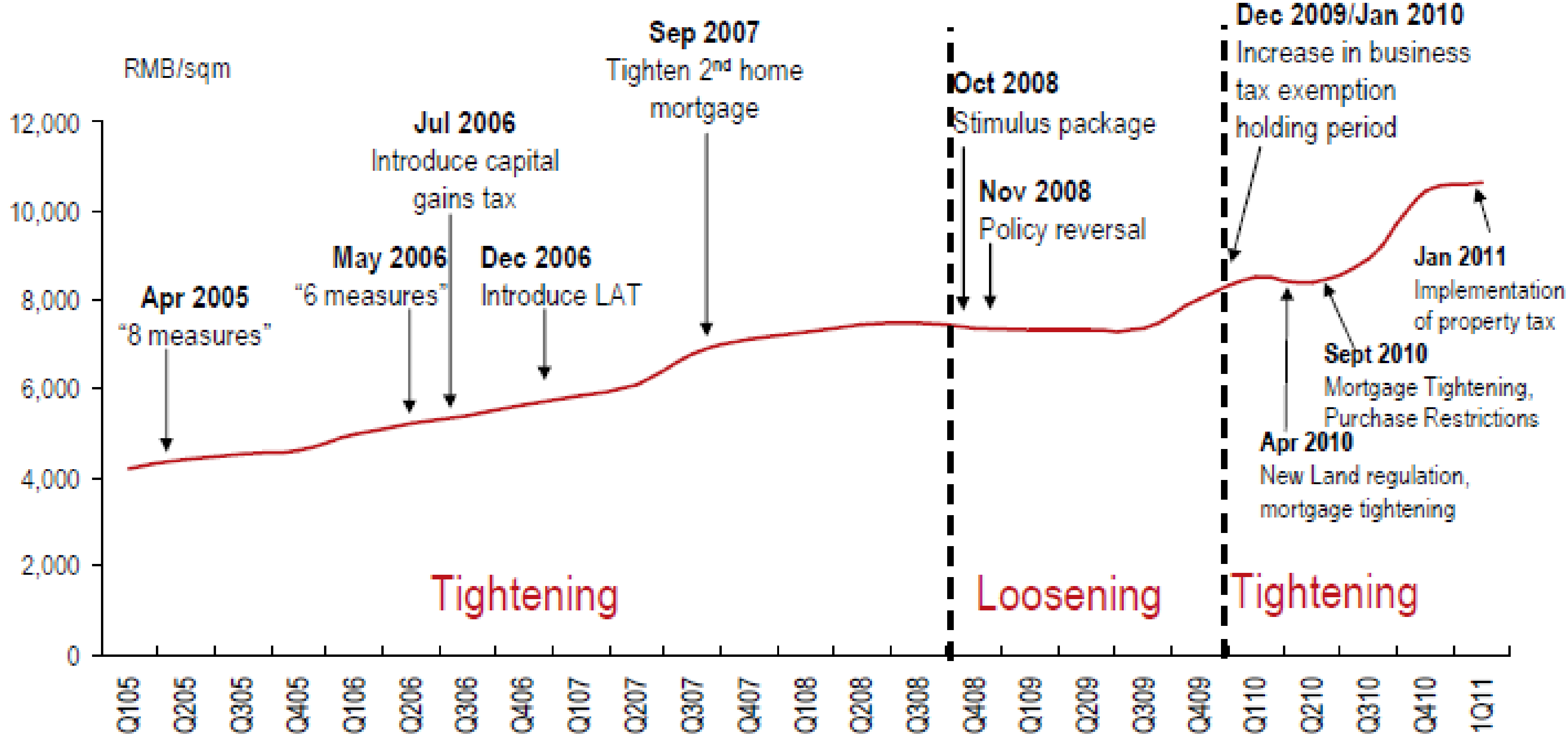
Note: rent refers to average rent of the LG floor in shopping malls and excludes management fee, net leasable area based.

- Rental will continue rising as more prime retail concepts hit the market;
- Fast growing economy plus mass population form a solid foundation for Chongqing retail market. Retail sector has been attracting increasing numbers of domestic and international investors.

Source: JLL Chongqing

Chongqing Residential Market Performance

Price went up slightly while growth rate fell 15.1% q-o-q



Source: JLL Chongqing

Disclaimer

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.