CapitaLand

# CapitaLand Investors' Day
# One CapitaLand – Positioning For The Future

**Presentation By Mr Lim Ming Yan, President & Group CEO**

**14 November 2014**

# 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.

# Contents

# CapitaLand's Strategy Revisited

## CL's Growth Strategy

### Product Strategy

1

- Integrated Developments
- Larger Scale Projects
- Bread-and-Butter Projects

### Geography Strategy

2

- Build Scale in 6 City Clusters in 2 Core Markets
- Investment in Key Gateway Cities Through Ascott Platform
- Seek Growth Options to Expand Footprint in New Growth Markets

### Capital Strategy

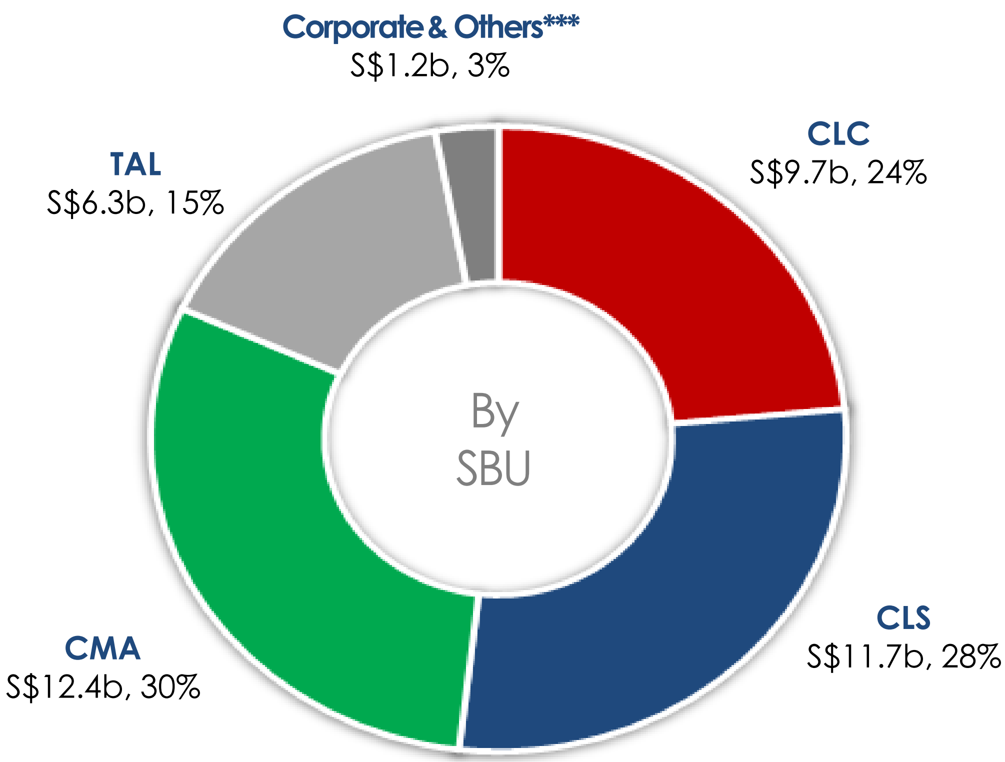
3

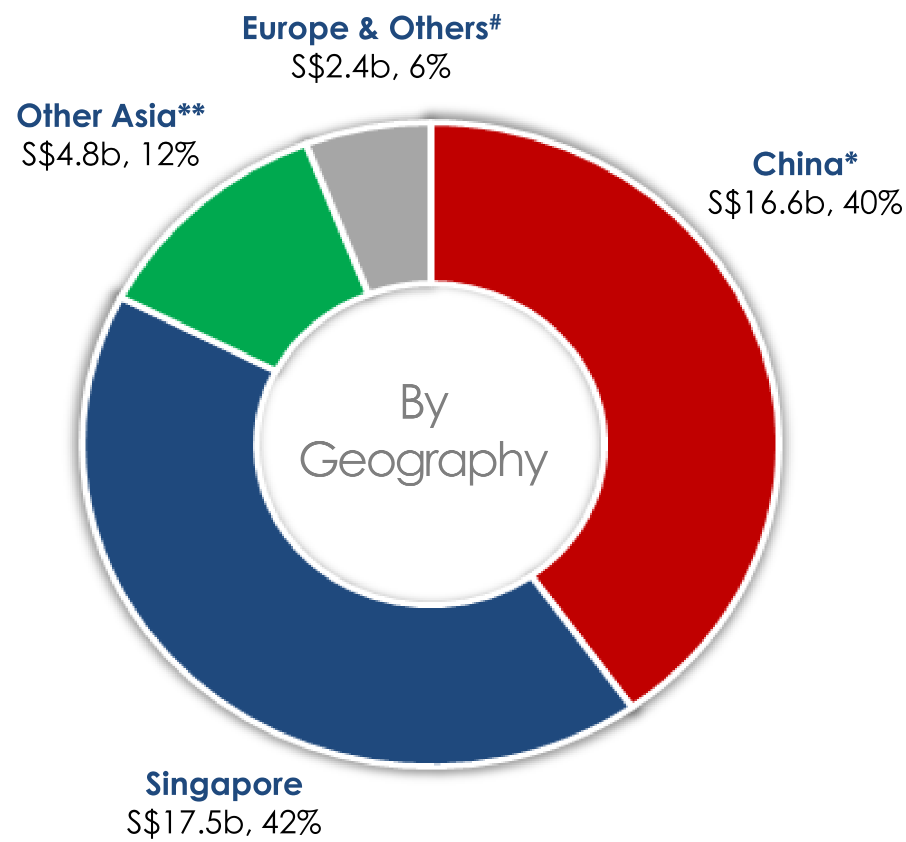
- Leverage on Capital Partners
- Capital Recycling

# Building A Pan-Asian Portfolio

- S$41.3 billion[1] As Of 30 Sept 2014,
- 82% In Core Markets Of Singapore & China

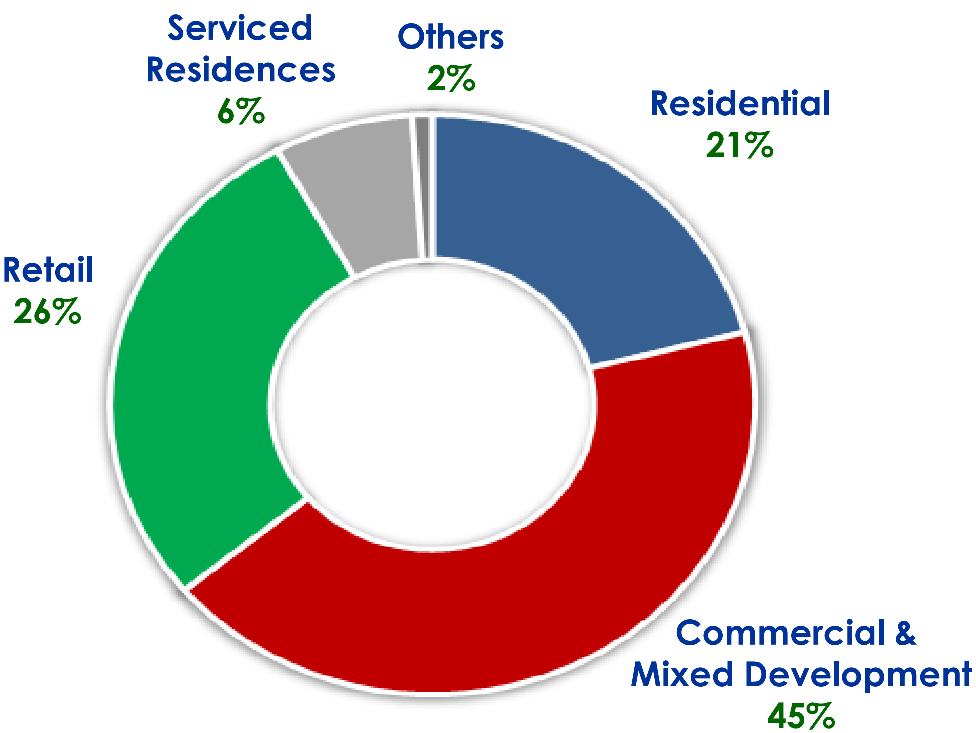
(1) Defined as total assets owned by CapitaLand at book value and excludes treasury cash held by CL and its treasury vehicles
* China including Hong Kong
** Excludes Singapore & China and includes projects in GCC
*** Includes Surbana (Consultancy), StorHub, Financial Services and other businesses in Vietnam, Japan, and GCC
# Includes Australia



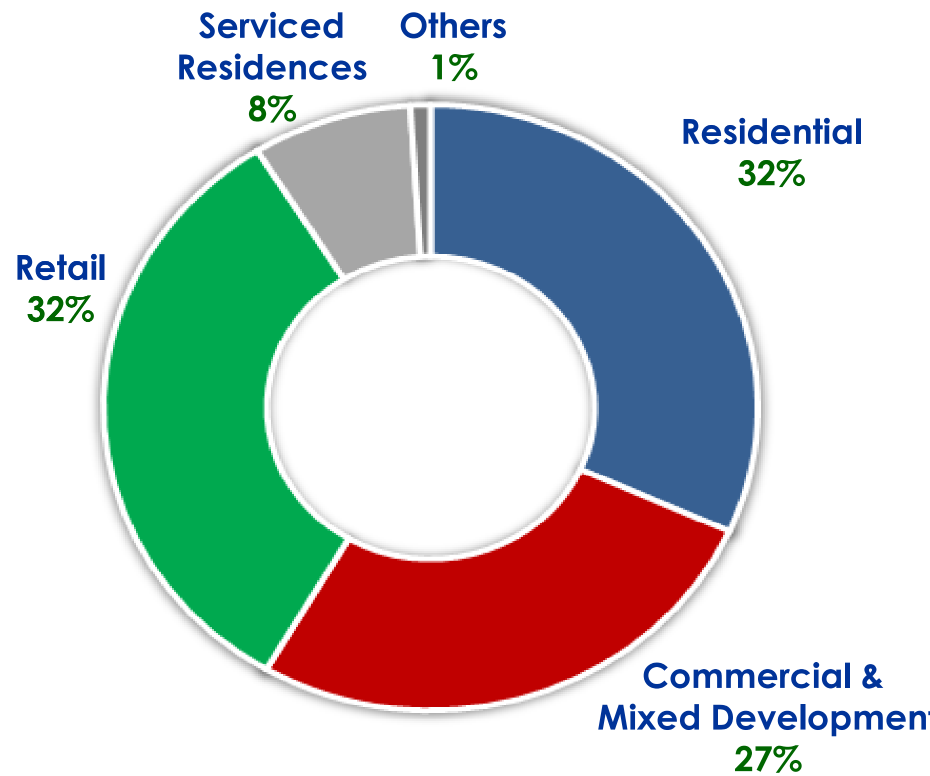



# Maintain A Well-Diversified Portfolio In Singapore & China

## Singapore Assets - S$17.5 billion (42% of Group's Total Assets[1])




## China Assets - S$16.6 billion 40% of Group's Total Assets[1])




**Well-balanced To Ride Through Cycles**

Note 1: Defined as total assets owned by CapitaLand stated at book value and excluding treasury cash

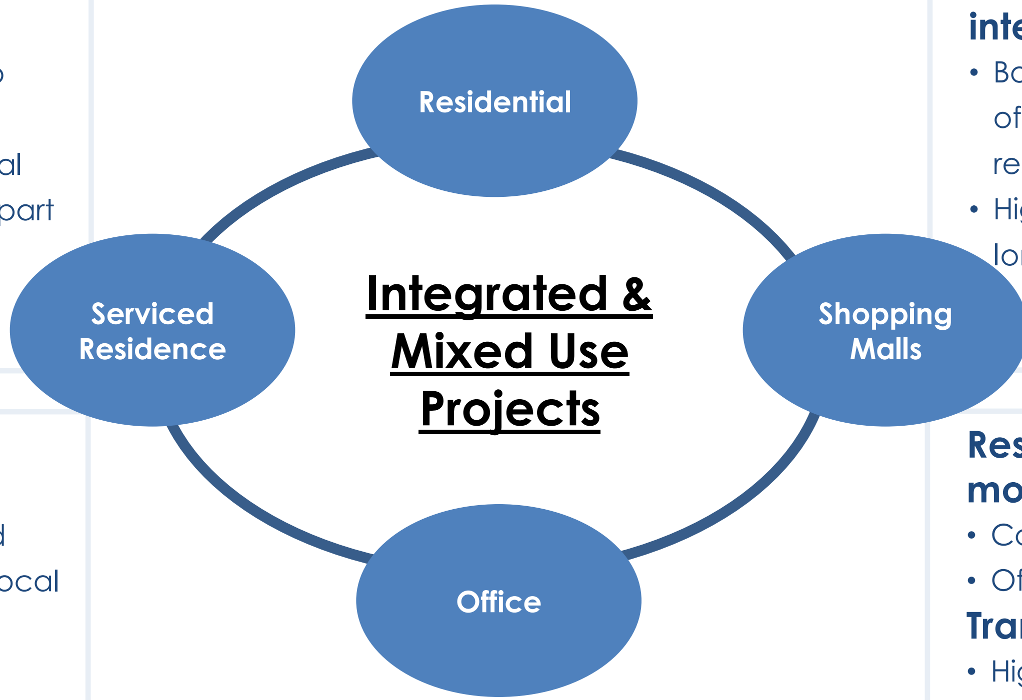
# Focusing On Integrated & Mixed-Use Projects – A Synthesis of CapitaLand's Competitive Strengths

### Synergies with residential property

- Residential pre-sales help fund development costs
- Potential higher residential selling prices from being part of an integrated development

### Shopping malls anchor integrated projects

- Boosts demand and prices for office, serviced residences and residential components
- High shopper traffic enhances long term value




### Enhanced deal flow access

- Well executed integrated projects sought after by local governments
- Execution requirements enhance the barriers to entry

### Resilience of business model

- Captive catchment
- Often linked to transport hubs

**Translates into:**

- Higher foot traffic
- Stronger competitive positioning

**Selected integrated development projects:** Raffles City, Bedok Mall, westgate, ION Orchard, 凯德龍之梦 虹口 (Hongkou)

CapitaLand

# Strong Operating Portfolio

**5**
Raffles City Integrated Developments

**86**
Operational Malls

**24,400**
Operational SR Units

**10**
Quality Office Buildings

# Total Development Pipeline[1]: 4Q 2014

**Completion** **4Q 2014**

- 1 Integrated Development
- 4 Residential
- 1 Shopping Mall
- 1 Office
- 1 Serviced Residence

Westgate

Int'l Trade Centre, Tianjin

The Paragon, Shanghai

CapitaGreen

Note 1: Investment property and development property pipeline

CapitaLand

# Total Development Pipeline[1]: 2015

Completion | 4Q 2014 | 2015


The Nassim

- 1 Integrated Development
- 3 Residential
- 5 Shopping Malls
- 2 Serviced Residences


Sky Habitat


Bedok Mall & Residences


CapitaMall Sky+, Guangzhou

Note 1: Investment property and development property pipeline

# Total Development Pipeline[1]: 2016

**Completion** | 4Q 2014 | 2015 | 2016

Raffles City Changning

Raffles City Shenzhen

- 3 Raffles City Developments
- 1 Integrated Development
- 6 Residential
- 6 Shopping Malls
- 1 Serviced Residence

Raffles City Hangzhou

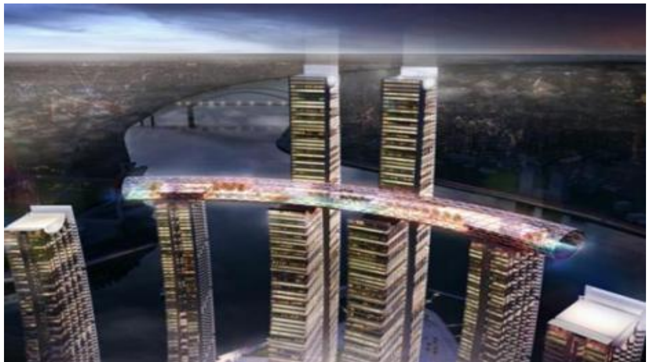

Gutian Site, Wuhan

Luwan Integrated Development, Shanghai,

Note 1: Investment property and development property pipeline

# Total Development Pipeline[1]: 2017 & Beyond

| Completion | 4Q 2014 | 2015 | 2016 | 2017 Onwards |
|---|---|---|---|---|



Raffles City Chongqing

- 1 Raffles City Development
- 1 Integrated Development
- 6 Residential
- 3 Shopping Malls
- 1 Serviced Residence

Cairnhill Redevelopment

Project Jewel

The Metropolis, Kunshan

Note 1: Investment property and development property pipeline

# Conclusion

Six Battery Road, Singapore

Conclusion

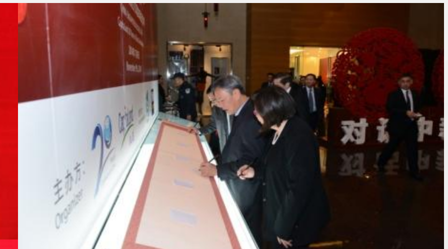
# CapitaLand Celebrated 20 Years In China

(9 Nov 2014, Beijing)

**Guest-of-Honour**
**Mr Lee Hsien Loong**
Prime Minister of Singapore

**300**
Distinguished guests

**Ding Xuedong**, Chairman & CEO, CIC; and Chairman, CICC
**Levin Zhu**, CICC, Financial Expert
**Jin Liqun**, AIIB, Multilateral Interim Secretariat, Secretary General
**Liang Xinjun**, Fosun Group, Vice Chairman
**Yu Liang**, China Vanke, CEO
**Liu Qiangdong**, JD.com/Jingdong Mall, Co-Founder




# CapitaLand Celebrated 20 Years In China (Cont'd)

- **As One CapitaLand and a long-term investor in China, to continue to sharpen competitive edge to grow its business in China**
  - Owns or manages 150 properties, completed and under development in 46 Chinese cities worth over RMB 200 billion on completion

- **CapitaLand will continue to play a part towards China's urbanisation; aligned with its corporate philosophy of "Building People. Building Communities"**
  - 24 CapitaLand Hope Schools to date

- **Leverage on CapitaLand's expertise and in-depth experience of over 20 years in China**
  - Largest foreign real estate developer in China with a diversified portfolio and has one of the largest real estate fund management business in China with 2 REITs and 12 private equity funds

- **Maximise human capital for the next phase of growth**
  - Strong team in China with deep management bench strength

# Going Forward

| 1 Significant Pipeline Turning Operational | 2 Target 12 New Integrated Projects | 3 Ramp Up Capital Recycling & 3rd Party Fund Management | 4 Explore New Growth Markets |
|---|---|---|---|
| • 50 projects worth S$36 billion completing across Asia over next 3 years<br>• 3 Raffles City projects completing in 2016 - 2017 | • Across Asia, of which half will be in China | • Increase AUM<br>• Broaden capital partner relationships | • More opportunities in Vietnam and Malaysia (Kuala Lumpur, Penang)<br>• Possibly Indonesia |

**Well On-Track To Deliver ROE Target Of 8% - 12%**

# Concluding Remarks

- CapitaLand is in a position of strength as compared to many of its peers, and have a good platform to execute its strategies
- A strong operating portfolio of 5 Raffles City integrated developments, 86 shopping malls, 24,400 service residence units and 10 quality office projects in Singapore CBD
- A strong pipeline of S$36 billion projects under development for the next 3 years
- Target 12 new integrated developments across Asia in the next 3 years; augmented by bread-and-butter projects by all SBUs
- Strong team to execute CapitaLand's strategy
- Current organisational structure optimal, and no plans for further changes
- Well-poised to leap towards the next phase of growth

# Thank You

# Appendix

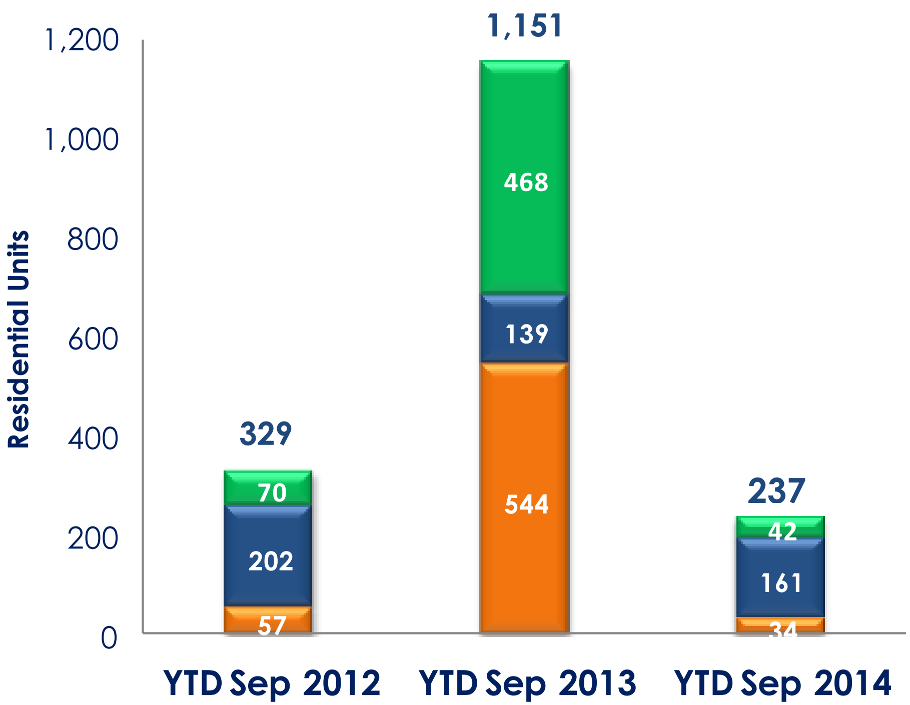
Capital Tower, Singapore

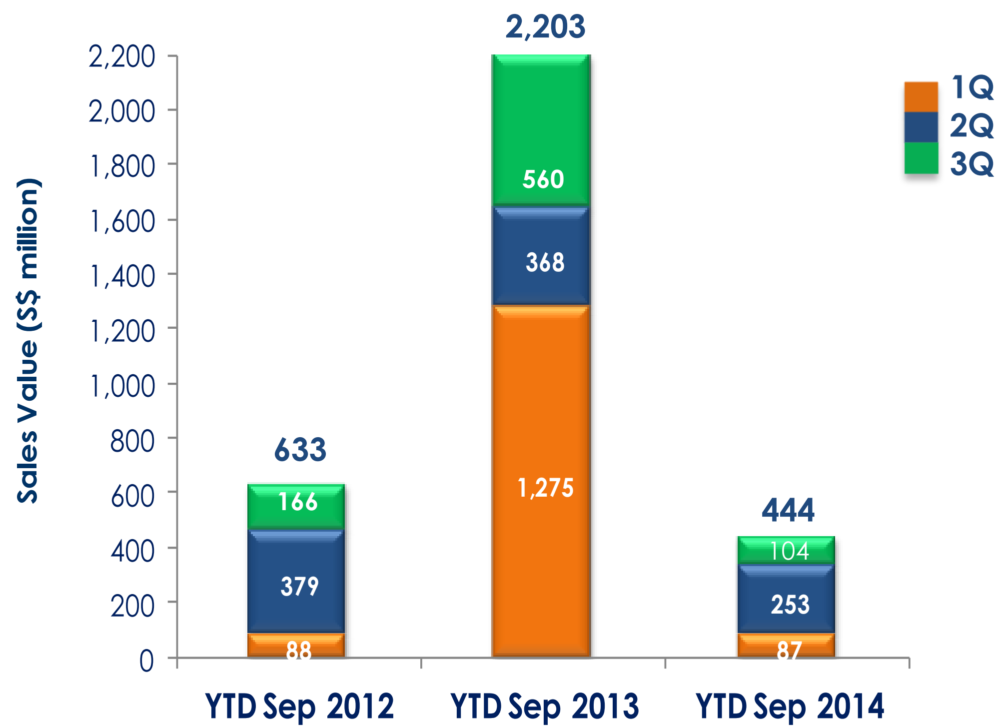
# Business Highlights
# - CapitaLand Singapore

ION Orchard, Singapore

# CapitaLand Singapore

## Sold 237 Units Worth S$444 million YTD Sep 2014



# Launched Projects Substantially Sold[1]

| PROJECT | Total Units | Units Sold As Of 30 Sep 2014 | % of Total Units Sold | % Completed As At Sep 2014 |
|---|---|---|---|---|
| The Orchard Residences | 175 | 167 | 95% | 100% |
| The Interlace | 1,040 | 865 | 83% | 100% |
| d'Leedon | 1,715 | 1,461 | 85% | 96% |
| Bedok Residences | 583 | 566 | 97% | 74% |
| Urban Resort Condominium | 64 | 42 | 66% | 100% |
| Sky Habitat | 509 | 348 | 68% | 80% |
| Sky Vue | 694 | 504 | 73% | 19% |

| FUTURE PROJECT LAUNCHES | Total Units |
|---|---|
| Marine Blue | 124 |
| Cairnhill | 268 |
| Landed development@ Coronation Road | 109 |

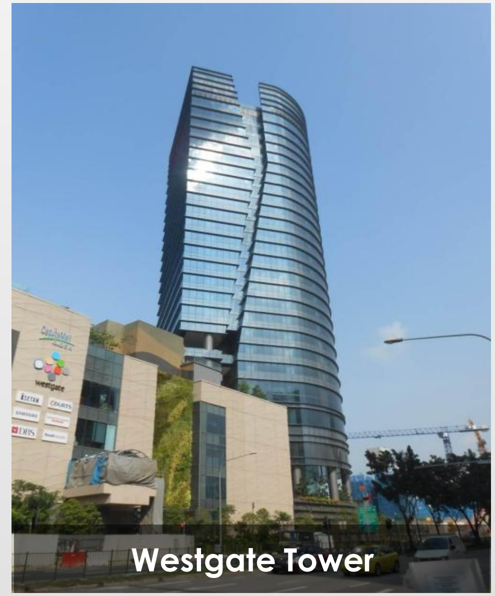
Note
1. Figures might not correspond with income recognition.

# Progress On-Track

## CapitaGreen secured 40% commitment


- 40-storey Grade A office tower
- Completing in end-Dec 2014
- NLA[1]: 700,000 sq ft
- Leased 279,500 sq ft or 40% of building's NLA
- 75,000 sq ft of space under negotiation

## Westgate Tower obtained TOP




- 20-storey office building
- Obtained TOP[2] on 9 Oct 2014
- NLA: 304,963 sq ft
- Sold to consortium for S$579.4mil
- Completion of sale expected in end-2014

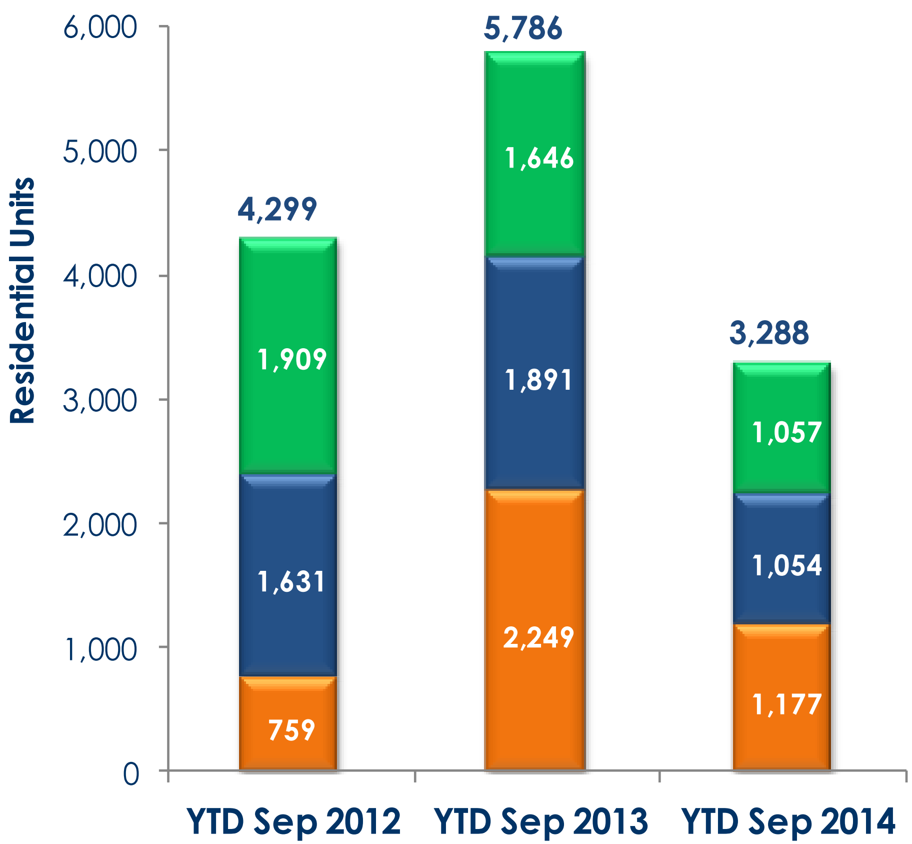
Note:
1. NLA: Net Lettable Area
2. TOP: Temporary Occupation Permit

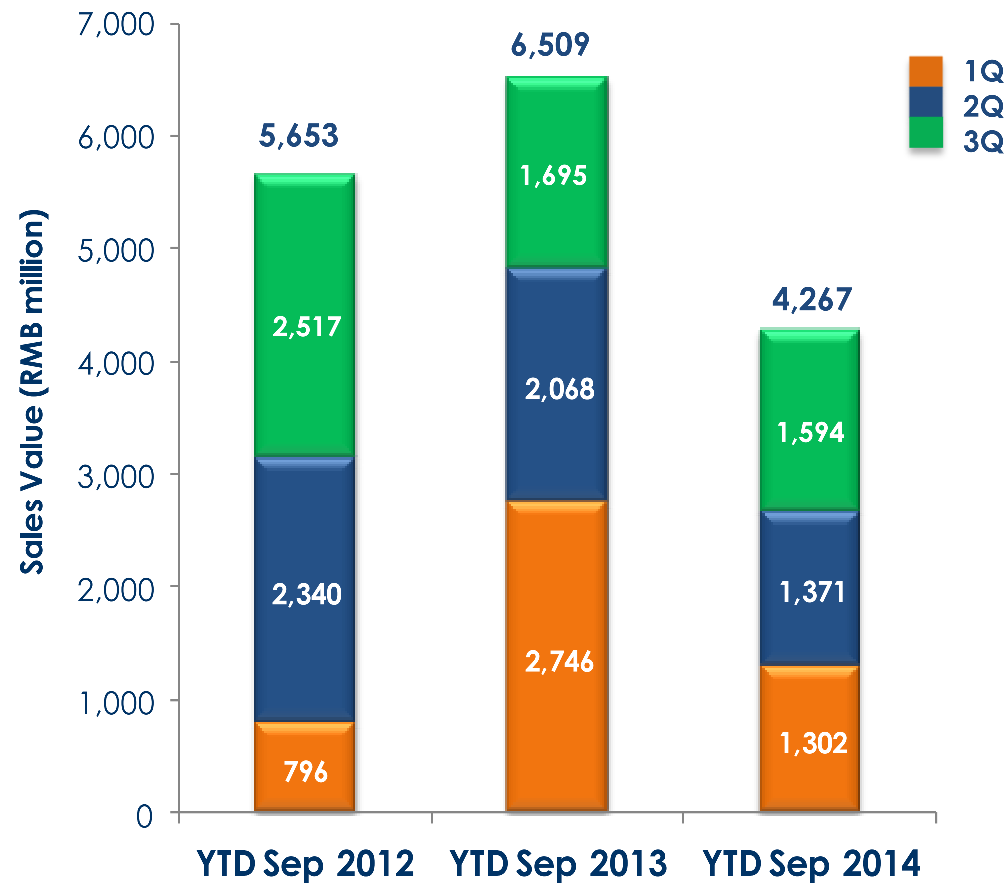
# Business Highlights
# - CapitaLand China


Raffles City Beijing, China

# Residential / Trading Sales Performance

## ~81% Of Launched Units Sold To-Date




Note:
Units sold includes options issued up to 30 Sep 2014.
Above data is on a 100% basis and includes CL Township and Raffles City strata/trading.

# Healthy Response From Recent Launches

## Vista Garden, Guangzhou


- Launched 244 (in May) & 417 units (in Jul)
- Achieved sales rate of 37% with ASP ~RMB8.0k
- Sales value ~ RMB174.6mil

## New Horizon, Shanghai

- Launched 186 (in Jul) & 104 units (in Sep)
- Achieved sales rate of 56% with ASP ~RMB10.7k
- Sales value ~RMB154.1mil

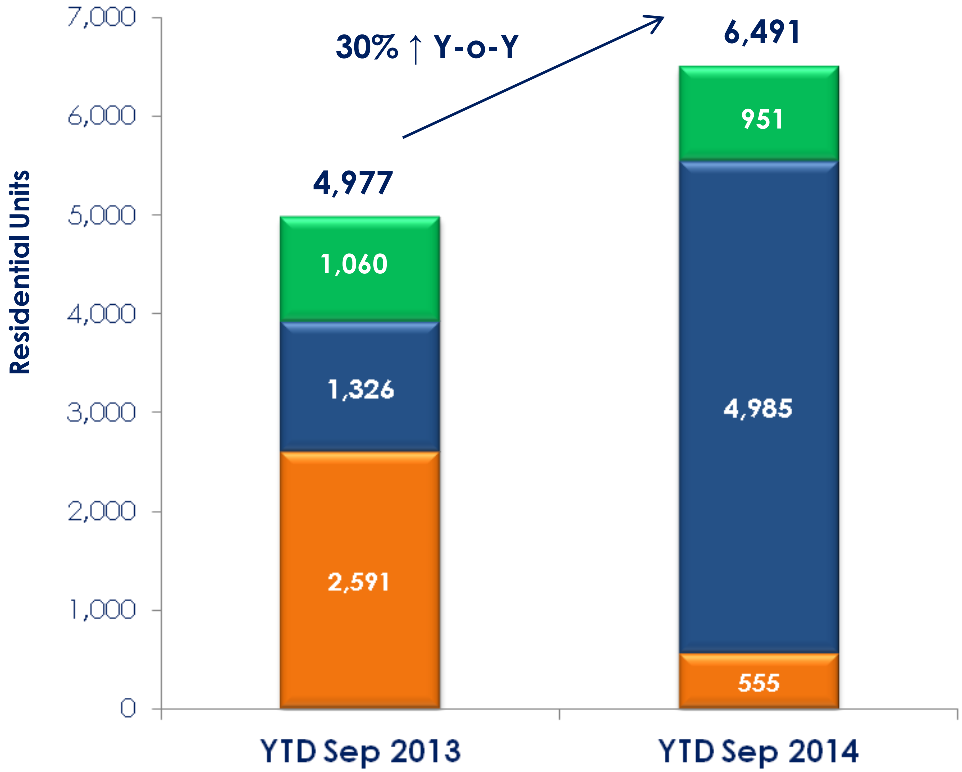
## Lotus Mansion, Shanghai

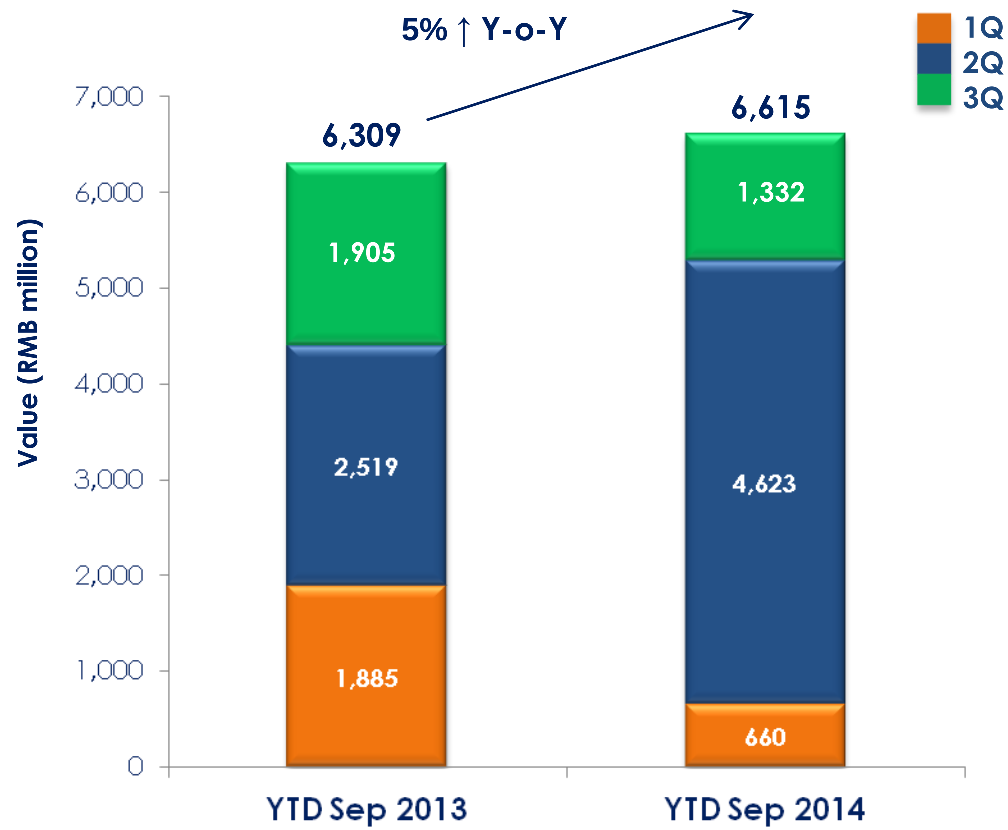
- Launched 108 units in Aug
- Achieved sales rate of 48% with ASP ~RMB47.2k
- Sales value ~ RMB268.6mil

Note: Sales rate computed based on options issued as of 30 Sep 2014

# Healthy Revenue Recognition

- ~ 1,000[1] Units Handed Over In 3Q 2014
- Units Handed Over Increased 30% y-o-y




Note :
1. Above data is on a 100% basis and includes CL Township and Raffles City strata/trading.

# Healthy Pipeline

- Close to 4,000 units launched in YTD Sep 2014
- ~ 4,000 units launch-ready in 4Q 2014

| Projects | City | Launch ready (Units) |
|---|---|---|
| Parc Botanica | Chengdu | 378 |
| Chengdu Century Park | Chengdu | 347 |
| La Cite | Foshan | 551 |
| Dolce Vita | Guangzhou | 490 |
| The Metropolis | Kunshan | 709 |
| Lotus Mansion | Shanghai | 90 |
| New Horizon | Shanghai | 680 |
| Lake Botanica | Shenyang | 36 |
| Central Park City | Wuxi | 64 |
| La Botanica | Xi'an | 567 |
| **Total** | | **3,912** |

Note: These launch-ready units will be released for sale in 4Q 2014 according to market conditions and subject to regulatory approval.

# Healthy NPI Growth For Operational Assets

| Name Of Property | Year Of Opening | Total GFA (sqm) | CL Effective Stake (%) | Net Property Income[1] (RMB Million) (100% basis) | | NPI Y-o-Y Growth (%) | NPI Yield On Cost (%)[2] (100% basis) |
|---|---|---|---|---|---|---|---|
| | | | | 3Q 2014 | 3Q 2013 | | |
| Raffles City Shanghai | 2003 | ~139,000 | 30.7 | 382 | 344 | 11.0 | 20.0 |
| Raffles City Beijing | 2009 | ~111,000 | 55.0 | 196 | 158 | 24.1 | 15.7 |
| Raffles City Chengdu | 2012 | ~240,000 | 55.0 | 78 | 63 | 23.8[3] | 3.0 |
| Raffles City Ningbo | 2012 | ~101,000 | 55.0 | 55 | 31 | 77.4 | 5.8 |

Notes:
1. Excludes strata/trading components
2. On an annualised basis
3. Include contributions from Serviced Residences and Office Tower 1 in 3Q 2014 results.

# Committed Occupancy Rates Remains Strong

| Properties | 2009 | 2010 | 2011 | 2012 | 2013 | 3Q 2014 |
|---|---|---|---|---|---|---|
| **Raffles City Shanghai** | | | | | | |
| - Retail | 100% | 100% | 100% | 100% | 100% | 100% |
| - Office | 93% | 96% | 100% | 100% | 98% | 99% |
| **Raffles City Beijing** | | | | | | |
| - Retail | 94% | 100% | 100% | 100% | 100% | 100% |
| - Office | 44% | 99% | 100% | 98% | 100% | 100% |
| **Raffles City Chengdu** | | | | | | |
| - Retail | | | | 98% | 98% | 97% |
| - Office Tower 1 | | | | | 4% | 46% |
| - Office Tower 2 | | | | 42% | 61% | 79% |
| **Raffles City Ningbo** | | | | | | |
| - Retail | | | | 82% | 97% | 92%[1] |
| - Office | | | | 21% | 78% | 93% |

Raffles City Shanghai is operational since 2003.
Raffles City Beijing commenced operations in phases from 2Q 2009.
Raffles City Chengdu commenced operation in phases from 3Q 2012.
Raffles City Ningbo commenced operations in late 3Q 2012.
[1] Tenancy adjustment to a unit at Level 1 previously occupied by a mini-anchor.

CapitaLand

# Business Highlights - CapitaMalls Asia


Plaza Singapura, Singapore

# 3Q 2014 Highlights

- **Steady Performance in Key Markets for YTD Sep 2014**

| | Singapore | China |
|---|---|---|
| **Tenants' sales** | (2.4%) per sq m | +8.6% per sq m |
| **Shopper traffic** | (2.4%) | +5.5% |
| **Same mall NPI** | +3.8% | +20.5% |

- **1 new mall opened and 2 AEIs completed**
  - **The Forum Sujana Mall, Hyderabad, India**
  - **Bugis Junction, Singapore (AEI)**
  - **East Coast Mall, Kuantan, Malaysia (AEI)**

CapitaMalls Asia

# Steady Performance – By Markets

| Malls opened before 1 Jan 2013 | YTD Sep 2014 | | YTD Sep 2014 vs. YTD Sep 2013 (%)* | |
|---|---|---|---|---|
| | NPI Yield (%) on Valuation[1] | Committed Occupancy Rate (%)[2] | Shopper Traffic | Tenants' Sales (on a per sq ft or per sq m basis) |
| **Singapore** | **5.9%** | **98.9%** | **(2.4%)** | **(2.4%)** |
| **China** | **5.7%** | **93.8%** | **+5.5%** | **8.6%** |
| **Malaysia** | **6.7%** | **98.1%** | **+3.9%** | **-** |
| Japan | 6.0% | 97.7% | (2.1%) | (4.4%) |
| India | 4.9% | 84.0%[3] | +10.1% | (7.0%) |

Note: The above figures are on a 100% basis, with the NPI yield and occupancy of each mall taken in their entirety regardless of CMA's interest. This analysis takes into account all property components that were opened prior to 1 Jan 2013.

1. Average NPI yields based on valuations as at 30 Jun 2014.
2. Average committed occupancy rates as at 30 Sep 2014.
3. Excluding Serviced Apartment Component .

* Notes on Shopper Traffic and Tenants' Sales:
Singapore: Excludes Bugis Junction (which is undergoing AEI),
China: Excludes 3 master-leased malls under CRCT. Excludes tenants' sales from supermarkets & department stores. Excludes CapitaMall Minzhongleyuan , CapitaMall Kunshan, CapitaMall Hongqi, and CapitaMall Shawan.
Malaysia: Point of sales system not ready.
Japan: For Olinas Mall, Vivit Minami-Funabashi, and Chitose Mall only.

# Same-Mall NPI Growth (100% basis)

| Country | Local Currency (mil) | YTD Sep 2014 | YTD Sep 2013 | Change (%) |
|---|---|---|---|---|
| **Singapore** | **SGD** | **614** | **592** | **+3.8%** |
| **China**[1] | **RMB** | **2,279** | **1,891** | **+20.5%** |
| **Malaysia** | **MYR** | **199** | **197** | **+0.8%** |
| Japan[2] | JPY | 2,373 | 2,346 | +1.2% |
| India | INR | 151 | 153 | (1.5%) |

Note: The above figures are on a 100% basis, with the NPI of each mall taken in its entirety regardless of CMA's interest. This analysis compares the performance of the same set of property components opened prior to 1 Jan 2013.

1. Excludes CapitaMall Minzhongleyuan, CapitaMall Kunshan, and CapitaMall Shawan. Excluding CRCT, NPI grew by 23.1%.
2. Excludes Ito Yokado Eniwa, the divestment of which by CMA was completed in Mar 2014.

# China: Continued Strong Growth In NPI Yields of Operational Malls

## Total tenants' sales growth of +8.6% on psm basis

| Year of Opening | Number of Malls | Cost (100% basis) (RMB mil) | Effective Stake | NPI Yield on Cost (%) (100% basis) | | Yield Improvement | Tenants' Sales (psm) Growth[1] |
|---|---|---|---|---|---|---|---|
| | | | | YTD 3Q 2014 | YTD 3Q 2013 | YTD Sep vs. YTD Sep | YTD Sep 2014 vs. YTD Sep 2013 |
| 2005[2] | 4 | 1,205 | 58.3% | 5.9 | 5.5 | +5.5% | +0.4% |
| 2006[3] | 8 | 2,998 | 44.1% | 10.9 | 9.7 | +12.7% | +5.1% |
| 2007 | 2 | 1,838 | 29.6% | 11.1 | 10.1 | +9.7% | +11.3% |
| 2008 | 5 | 2,960 | 32.4% | 8.3 | 7.8 | +7.5% | +10.4% |
| 2009[4] | 7 | 3,597 | 26.3% | 10.2 | 8.6 | +18.6% | +2.0% |
| 2010[5] | 5 | 2,277 | 41.6% | 5.5 | 4.6 | +19.6% | +15.9% |
| 2011[6] | 3 | 11,470 | 65.8% | 5.3 | 3.9 | +34.5% | +14.5% |
| 2012 | 7 | 8,723 | 25.1% | 4.8 | 3.1 | +51.6% | +14.2% |
| 2013[7] | 1 | 559 | 50.0% | 4.3 | - | - | - |

| YTD Sep 2014 | NPI Yield on Cost | Gross Yield on Cost |
|---|---|---|
| China Portfolio[8] | 7.3% | 11.9% |

1. The above figures are on a same-mall basis (100%) and tenants' sales exclude sales from supermarkets and department stores.
2. Excludes Raffles City Shanghai.
3. Excludes malls under or previously under master lease, namely, CapitaMall Shuangjing, CapitaMall Anzhen, CapitaMall Erqi and CapitaMall Saihan.
4. Excludes CapitaMall Shawan.
5. Excludes CapitaMall Kunshan.
6. Both retail and office components of Minhang Plaza and Hongkou Plaza are taking into account.
7. For malls opened after 1 Jan 2013 , no y-o-y comparison on Yield Improvement and Tenants' Sales Growth.
8. For property components that were opened before 1 Jan 2013.

# Pipeline Of Malls Opening In The Next 3 Years

| Country | No. of Properties as of 30 Sep 2014 | | | |
|---|---|---|---|---|
| | Operational | Target to be opened in 2014 | Target to be opened in 2015 & beyond | Total |
| Singapore | 19 | - | 1 | **20** |
| China | 51 | 1 [1] | 10 | **62** |
| Malaysia | 5 | - | 1 | **6** |
| Japan | 7 | - | - | **7** |
| India | 4 | - | 5 | **9** |
| **Total** | **86** | **1** | **17** | **104** |

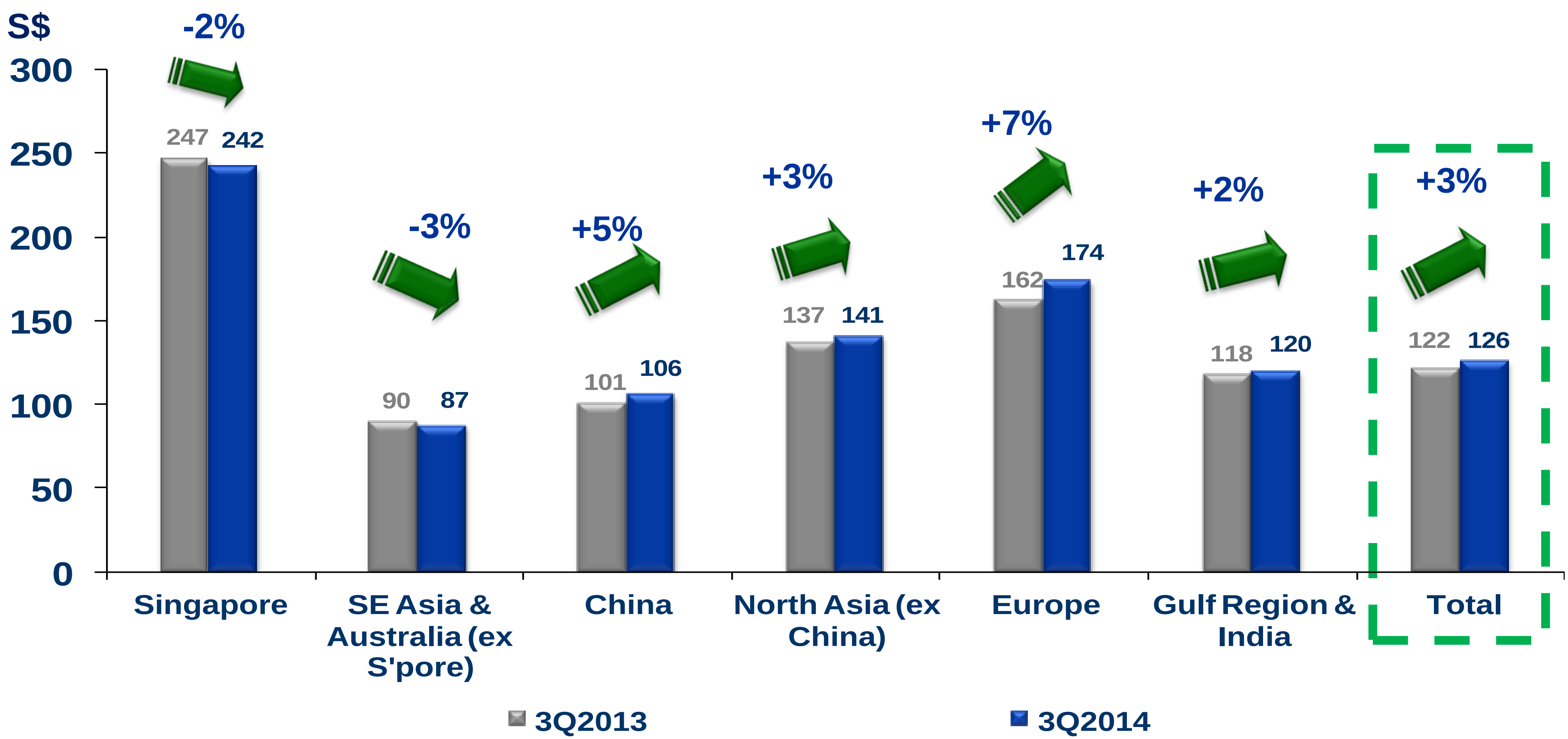
Note:
1. Not including CapitaMall Fucheng Phase 2, Mianyang.

# Business Highlights
# - The Ascott Limited


Ascott Huai Hai Road Shanghai, China

# Resilient Operational Performance

- Overall RevPAU Increased 3% YoY
- Europe, China and Japan Continued To Perform Well

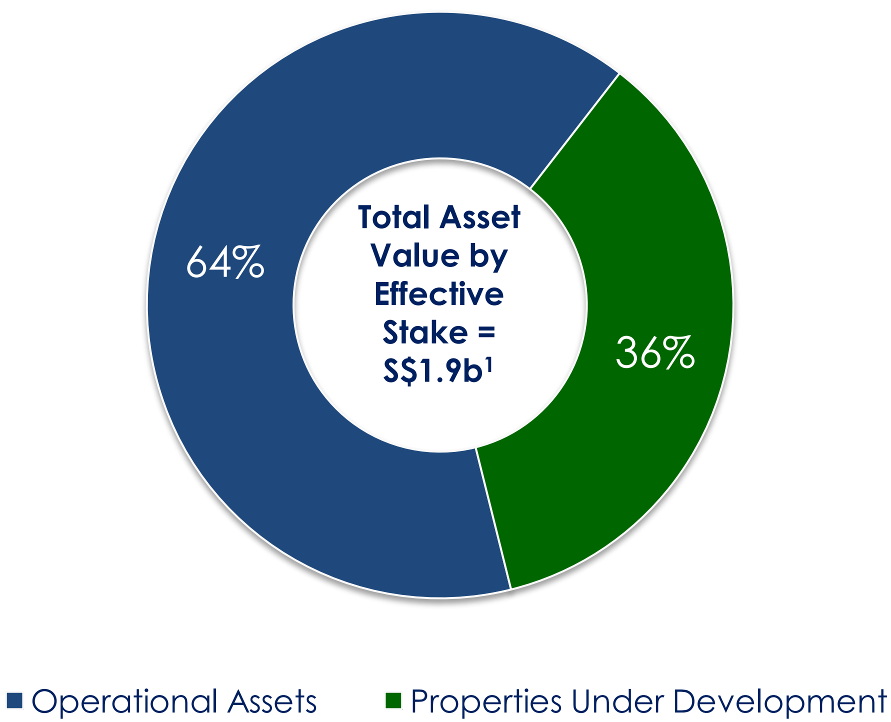



Notes:
1. Same store. Include all serviced residences owned, leased and managed. Foreign currencies are converted to SGD at average rates fo the period.
2. RevPAU – Revenue per available unit

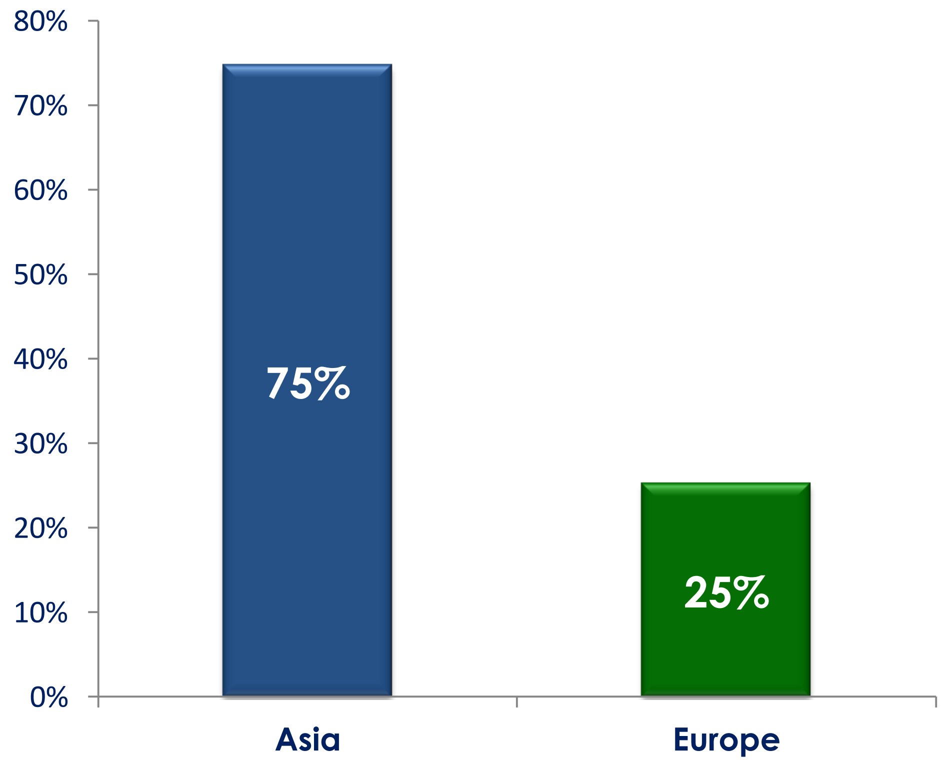
# ~S$660 Million Of Assets Under Development

## Potential Uplift To Returns When PUD Becomes Fully Operational

### Breakdown Of Operational Assets And PUD By Total Asset Value By Effective Stake[1]




### Breakdown Of PUD By Geography By Total Asset Value By Effective Stake[1]

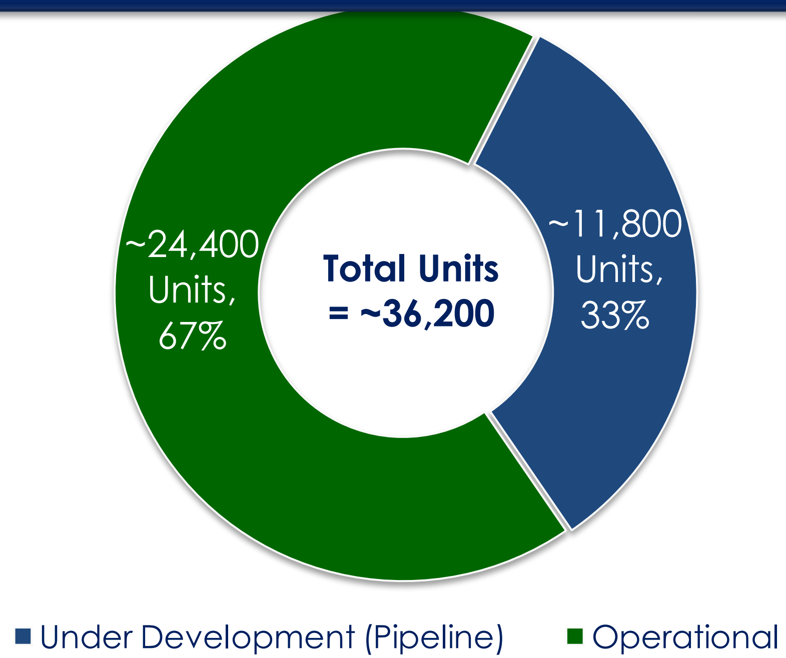



Note:
1. This represents Ascott's effective share of subsidiaries', associates'/joint ventures' and other investments' total asset value, but excluding the operating assets under Ascott Residence Trust and other asset items like cash balance

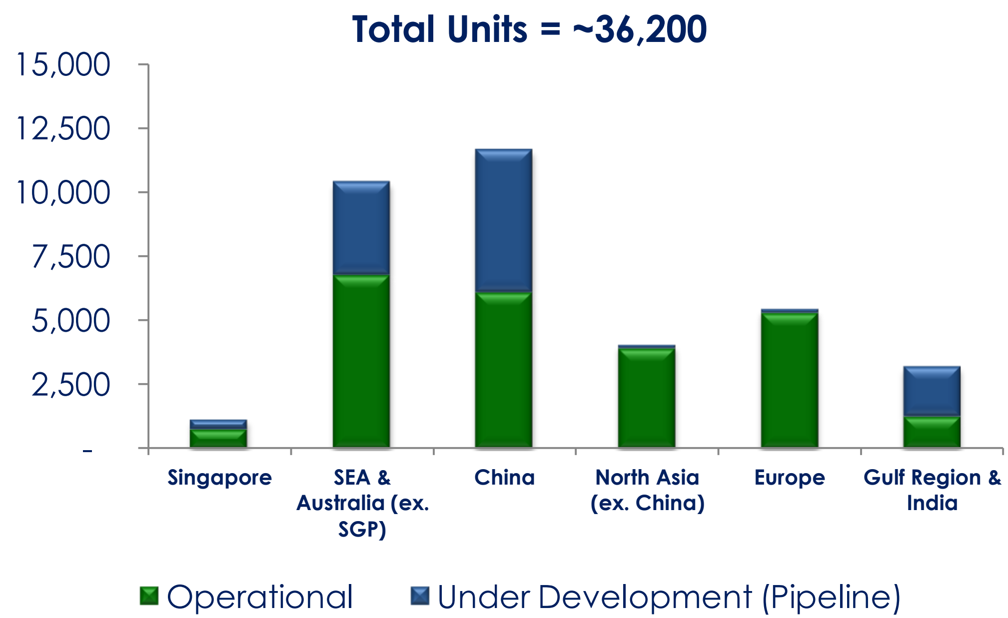
# Strong And Healthy Pipeline

## Expects Another ~1,300 Pipeline Units To Be Opened In 4Q2014

### Breakdown By Operational Units And Units Under Development




### Breakdown Of Total Units By Geography



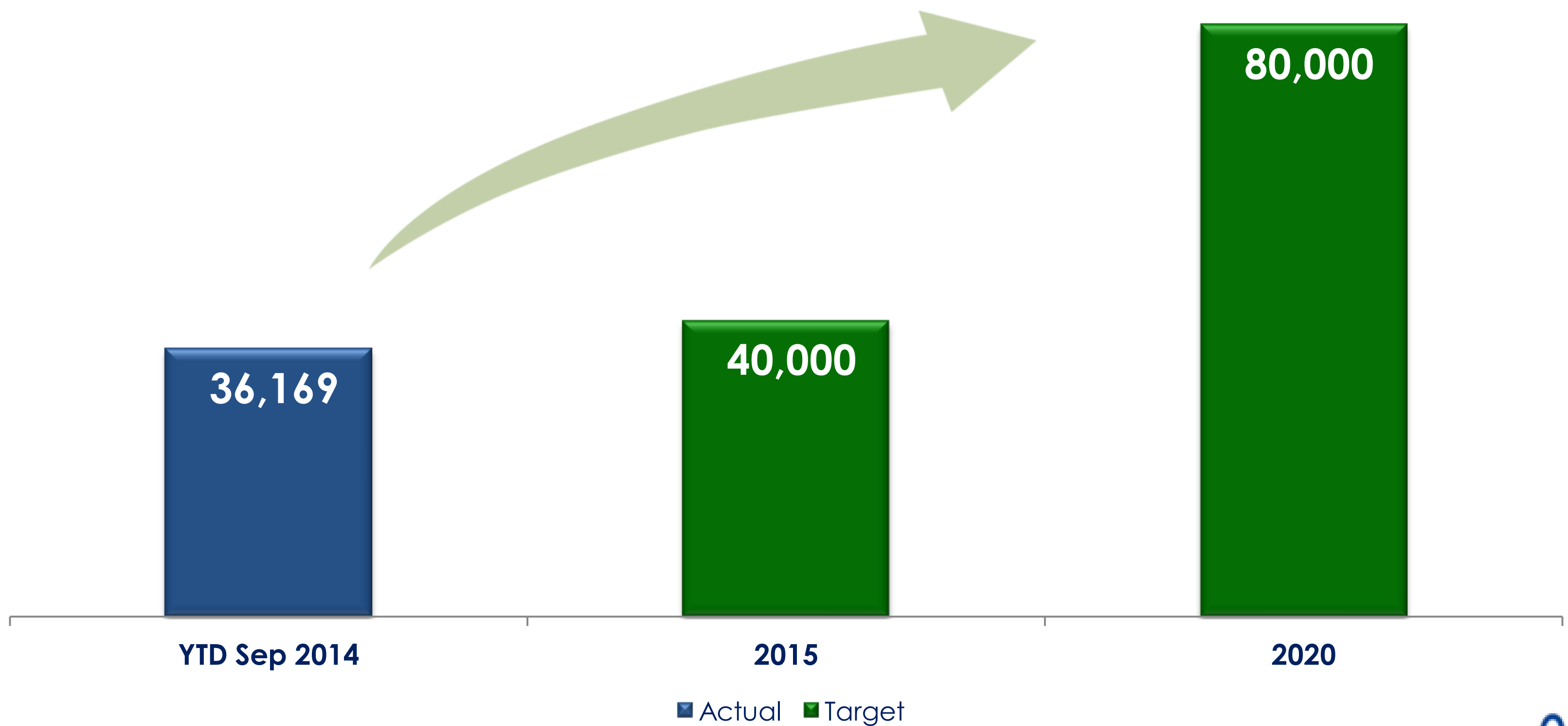

**Operational Units Contributed ~S$130 Million[1] to Fee Income; Additional S$45 Million When Pipeline Units Turn Operational[2]**

Note:
1. Based on annualised YTD Sep 2014 fee income.
2. Assuming stabilised year of operation. Out of the S$45 million fee income from pipeline units, about 5% pertains to properties owned by Ascott.

# Continue To Accelerate Growth

## Driving Scale And Returns Through Investments, Management Contracts And Franchises

- On course to meet 2015 target of **40,000** units
- Targets to double inventory to **80,000** units by 2020






CapitaLand

# Ascott Inked Strategic Partnership With Quest

## New Partnership To Deepen Presence In Australia

- **Acquired 20% stake in Quest for S$32.3 million**
  - Acquisition provides access to an asset-light platform with recurrent fee-based income
- **To invest up to A$500 million in new properties under the Quest pipelines in Australia over next five years**
  - Collaboration provides strong future pipelines for Ascott
  - Allows Ascott to entrench its position in Australia

A Member of CapitaLand

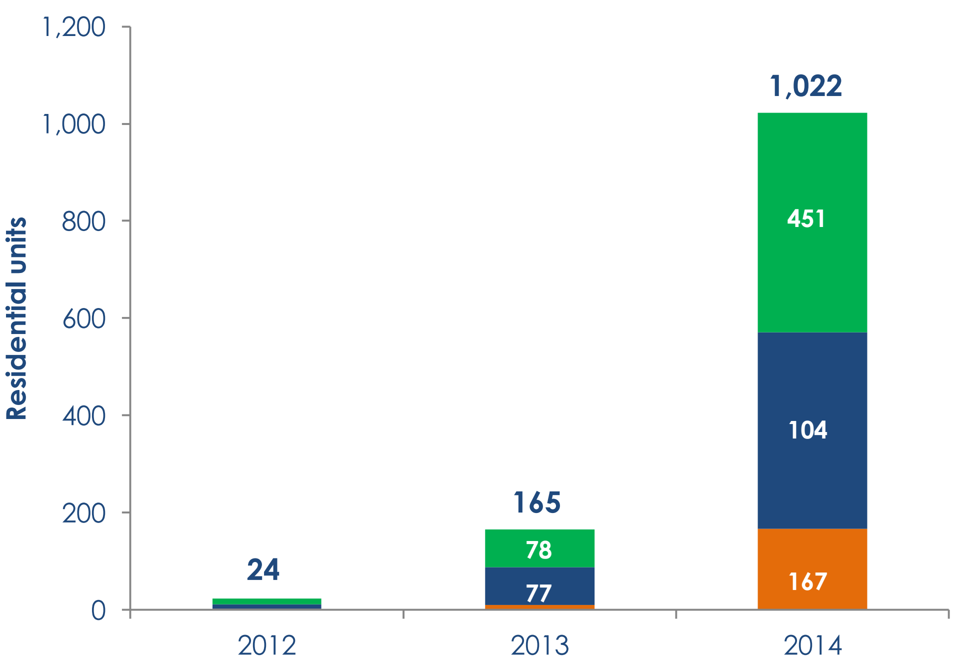
# Business Highlights - Regional Investments

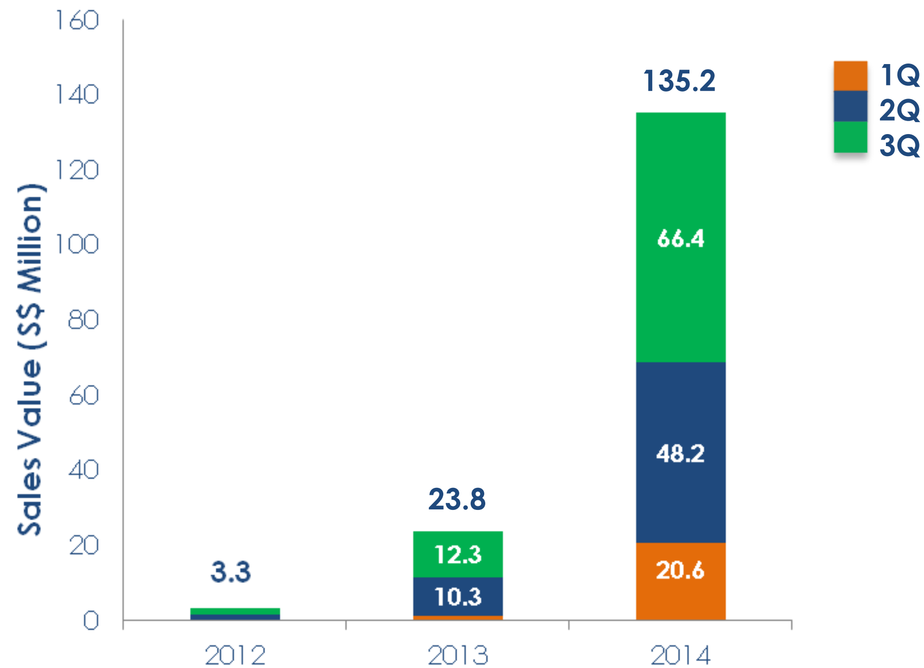
Vista Verde Sales Gallery, Ho Chi Minh City, Vietnam

# Vietnam

## Strong Sales Momentum

- Achieved S$135 mil sales and 1,022 units YTD Sep 2014
- 451 units sold in 3Q 2014 vs. 78 units sold in 3Q 2013

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## Healthy Project Pipeline

- **Launched Projects:**

| | | |
|---|---|---|
| The Vista | : | 172 |
| Mulberry Lane | : | 364 |
| Vista Verde | : | 775 |

- **Projects To Be Launched In 1H 2015**

| | | |
|---|---|---|
| ParcSpring II | : | 476 |
| Project Harmony | : | 1,300 |

ParcSpring II Perspective


Project Harmony Perspective



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## Launched Projects Are Substantially Sold

| Project | Total units | Units launched | Units sold as of 30 Sep 2014 | % of launched units sold | % completed (as of 30 Sep 2014) |
|---|---|---|---|---|---|
| The Vista | 750 | 678 | 578 | 85% | 100% |
| Mulberry Lane | 1,478 | 1,114 | 1,025 | 92% | 100% |
| ParcSpring Phase 1 | 402 | 402 | 393 | 98% | 100% |
| Vista Verde | 1,152 | 662 | 377 | 57% | Foundation completed |