



# CapitaLand Investor Day 2019

29 November 2019





# CAPITALAND LIMITED

Address by Group CEO Mr Lee Chee Koon

# 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.

# YEAR 2019 SO FAR

*Your support has fueled our resolve to ensure that:*

- Integration with Ascendas-Singbridge (ASB) is successful
- S\$3 billion annual recycling target is met and done right
- We bring down our leverage levels to 0.64x by Year 2020 end, as promised
- Our continued growth is not compromised

***A Transformation Is In Progress...***



# CAPITALAND LIMITED

*A Leading Global Diversified Real Estate Company*

- Asian Values, Global Vision
- Growth-Oriented
- Target to achieve **double-digit Return on Equity\*** across cycles

Note:  
\*Above cost of equity

# **3** *GROWTH ENGINES*

**1**

**Development -> Core Markets Play**

**2**

**Fund Management -> Global**

**3**

**Lodging -> Global**



# *Our Strategy*

**SCALE ● FOCUS ● BALANCE ● AGILITY**

Size Matters for  
Relevance and Influence

On Execution Across  
Disciplines

Across Geographies  
and Asset Classes

Speed and Flexibility in Decisions,  
Planning and Execution

## ***Our Business Model***

### **FIND VALUE ● CREATE VALUE ● UNLOCK VALUE**

Deep market expertise  
with strong network and  
boots on the ground

Full value chain of RE  
capabilities across multiple  
asset classes

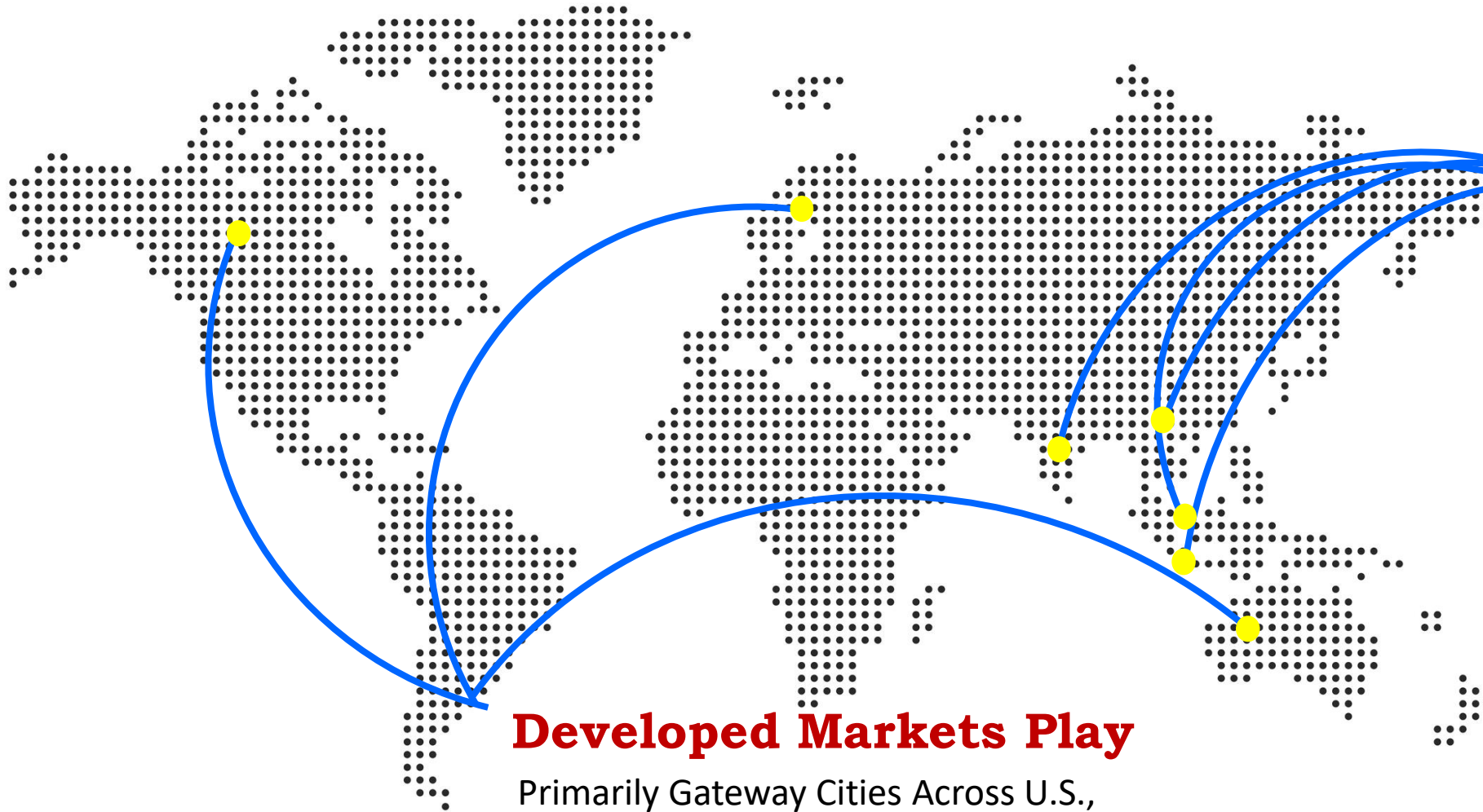
Possessing the skills to  
transact with third-party and  
sponsored vehicles



# OUR GLOBAL REACH



*Built Over More Than Two Decades*



## **Core Markets Play**

Singapore, China, India and Vietnam

CapitaLand Is Present  
Across More Than 200  
Cities In Over 30 countries

## **Developed Markets Play**

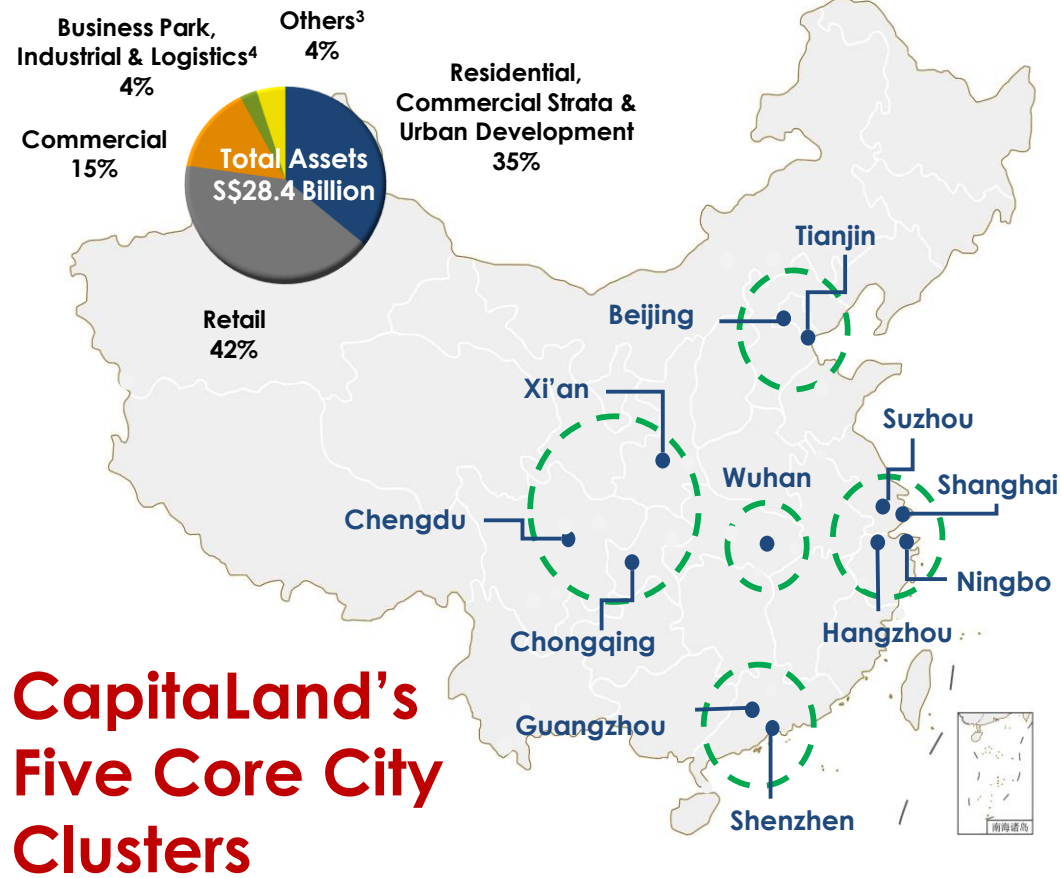
Primarily Gateway Cities Across U.S.,  
Europe and Australia

Note:  
CapitaLand locations denoted on the map  
are solely for illustration purposes and are not  
to scale

# CAPITALAND CHINA IS GROWING FROM STRENGTH TO STRENGTH

**25**  
**Years**  
In China

New Business Park, Industrial & Logistics Portfolio Further Differentiates CapitaLand China From Peers



## 2019 年度中国商业地产 TOP100 榜单

观点指数研究院发布

名次	企业名称	总分	名次	企业名称	总分
1	凯德集团	86.5	51	深圳市中航九方资产管理有限公司	54.1
2	华润置地商业地产事业部	85.9	52	凯华地产(中国)集团有限公司	53.6
3	恒隆地产有限公司	84.5	53	禹洲商业投资集团有限公司	53.4
4	印力集团	84.0	54	协信商业地产(集团)有限公司	53.3
5	龙湖集团控股有限公司	83.4	55	国瑞商业集团	52.2

## CapitaLand claims top spot in China's Guandian Property's 2019 Top 100 Commercial Real Estate Developers in China!

11	大悦城控股集团股份有限公司	77.9	61	弘阳商业集团	51.1
12	太古地产投资有限公司	77.7	62	奥园集团	50.9
13	宝龙地产控股有限公司	72.2	63	广州市时代商业管理有限公司	50.7
14	爱琴海集团	71.4	64	旭辉集团商业地产管理总部	50.6
15	新城控股集团股份有限公司	71.3	65	深圳茂业(集团)股份有限公司	50.4
16	富力地产集团商业运营管理有限公司	71.0	66	高德置地控股有限公司	50.3
17	世茂商业及主题娱乐	70.8	67	上海实业城市开发集团有限公司	50.2
18	招商局蛇口工业区控股股份有限公司	70.6	68	天河城(集团)股份有限公司	50.1
19	广州越秀商业地产投资管理有限公司	69.3	69	长江实业集团有限公司	50.0
20	深圳市星河商用置业股份有限公司	68.5	70	五矿地产有限公司	49.9
21	蓝光文旅集团	68.4	71	河南建业商业管理有限公司	49.6
22	合生商业地产管理有限公司	68.3	72	南京金鹰国际集团有限公司	48.7
23	苏宁置业集团有限公司	68.2	73	仁恒置地集团有限公司	48.6



# CAPITALAND VIETNAM – FIRST MOVER

## ADVANTAGE

**25**  
**Years**  
In Vietnam



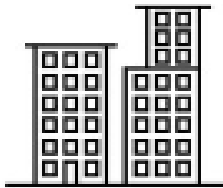
Strong GDP Growth;  
Ongoing Urbanisation



Young and educated, upper and middle-income groups rapidly growing



Stable government and clear policies



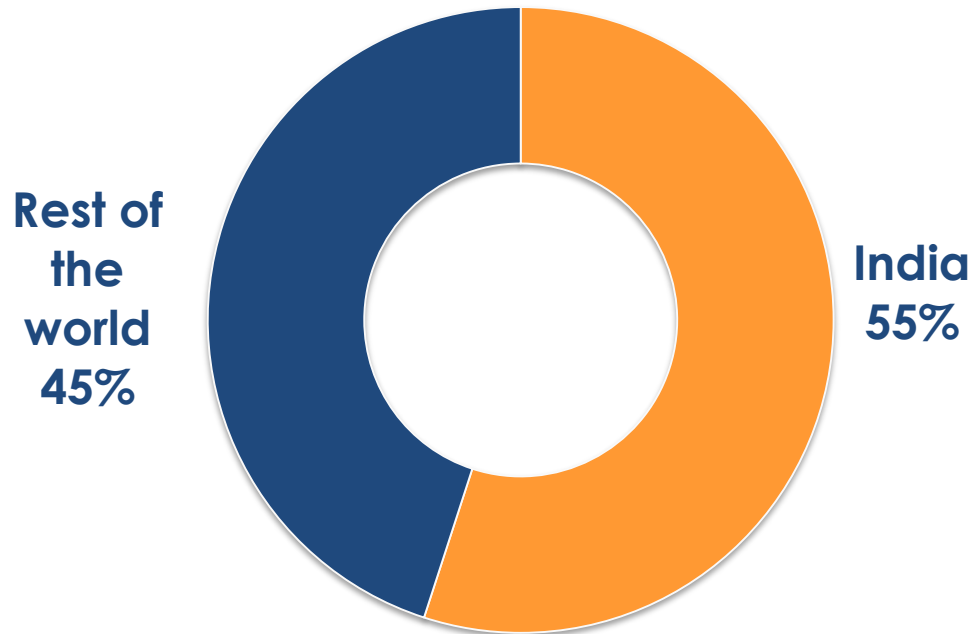
Opportunities in townships and commercial development

# CAPITALAND INDIA – CAPITALISING ON INDIA'S IT SECTOR LEADERSHIP

Riding on Global Digitalisation Trends



**Largest** Global IT Sourcing Destination<sup>1</sup>  
Supplying 55% of the World's IT Professionals



Multinational Companies in India



All information as at 30 June 2019.

1. Source: India Brand Equity Foundation.



# PARTICIPATING IN SINGAPORE'S CONTINUED GROWTH AND RENEWAL



**Funan**  
(former Funan Digital Mall)



**Ascott Orchard**  
(former Somerset Grand Cairnhill)



**CapitaGreen**  
(former Market Street Carpark)



**CapitaSpring**  
(former Golden Shoe Carpark)

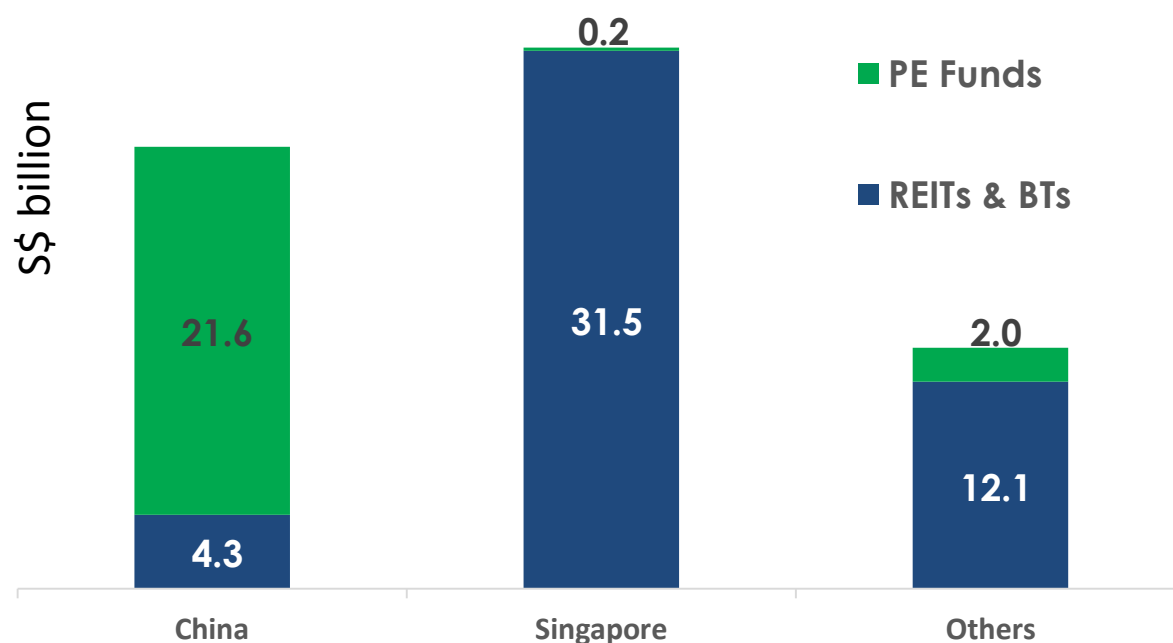
- An Expanded Presence After ASB Acquisition
- Property Network Extends To Business Parks, Industrial and Logistics Asset Class
- Precinct-wide Rejuvenation Opportunities

# OUR FUND MANAGEMENT PLATFORM



9<sup>th</sup> Largest Real Estate Investment Manager Globally, Top in Asia<sup>1</sup>

To Grow Fund AUM to **S\$100 billion** by Year 2024



CapitaLand Group's Listed Entities	Market Capitalisation (mil) <sup>2</sup>
CapitaLand Limited	S\$ 18,386.85
Ascendas REIT	S\$ 9,332.04
CapitaLand Mall Trust	S\$ 9,074.46
CapitaLand Commercial Trust	S\$ 7,676.79
Ascott REIT	S\$ 2,941.40
Ascendas Hospitality Trust	S\$ 1,275.24
CapitaLand Retail China Trust	S\$ 1,898.24
Ascendas India Trust	S\$ 1,617.89
CapitaLand Malaysia Mall Trust	MYR 2,133.82
<b>Total</b>	<b>S\$ 52,900.75</b>

Note:

1. Source: IPE Real Estate "Top 100 Real Estate Investment Managers 2019" <https://realassets.ipe.com/top-100-and-surveys/top-100-real-estate-investment-managers-2019/realassets.ipe.com/top-100-and-surveys/top-100-real-estate-investment-managers-2019/10034683.fullarticle>
2. Figures above as at 26 Nov 2019



# CAPITALAND LODGING



High ROE and Capital Efficient Global Business to Drive Fee Income

## Established Real Estate Platforms

Create value and returns through acquisitions, active asset management and recycling



A Member of CapitaLand



2 Listed Trusts  
**Ascott Reit**  
**Ascendas Hospitality Trust**



1 Private Fund  
**Ascott Serviced Residence**  
**Global Fund**



## Reputable Hospitality Operating Platform

Deliver recurring fee income through 3<sup>rd</sup> party management contracts & franchise



THE FOLLOWING ARE **CRITICAL** TO OUR  
**SUCCESS**

# 1

## EFFICIENT CAPITAL MANAGEMENT

- **Review Investment Opportunities Against Cost of Capital**
- **Disciplined Capital Recycling to Optimise Returns and Underwrite Growth**



# 2

## A FOCUS ON:

- **People**
- **Digitalisation and Technology**
- **Environmental, Social and Corporate Governance**

# WE WILL INCREASINGLY DIFFERENTIATE OURSELVES THROUGH OUR COMMITMENT TO ESG PRINCIPLES



## Tying Funding Costs to CapitaLand's Achievements of ESG Metrics

- First and Largest **S\$300 Million** Sustainability-Linked Loan in Nov 2018
- Linked second **S\$300 Million** of New Sustainability-linked Loans in Jul 2019



## Reducing Carbon Footprint Through Use of Renewable Energy



The inauguration ceremony of the new CapitaLand Tan Tay Hope Kindergarten, Vietnam

## Building Inclusive Communities – Continued Focus on Assisting Underprivileged Children

- Contributed **more than VND 6 billion (~S\$350,000)** to rejuvenate a second CapitaLand Hope Kindergarten for underprivileged children in Vietnam

## Efforts in prioritising ESG requirements are recognised externally

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

**Dow Jones Sustainability World and Asia Pacific Indexes 2019**

Most Sustainable Corporations in the World  
**GLOBAL100**  
Highest-ranked Real Estate management and development company, 2019

**FTSE4Good**  
Constituent of the Index Series for the 6<sup>th</sup> Consecutive Year

**G R E S B**  
★ ★ ★ ★ ★ 2019  
**GRESB 5 Star, 2019**

**MSCI** 2019 Constituent MSCI ESG Leaders Indexes  
A constituent of MSCI ESG Leaders Indexes and MSCI SRI Indexes 2019

**SINGAPORE CORPORATE AWARDS**  
CELEBRATING THE BEST IN CORPORATE GOVERNANCE  
**Won Gold for Best Managed Board at Singapore Corporate Awards 2019<sup>1</sup>**

**SAM Sustainability Award**  
Bronze Class 2019  
**Top 5% ESG company in Real Estate industry**

Note:  
1. Companies with S\$1 billion and above in market capitalisation

## 3

**ALIGNMENT TO SHAREHOLDERS' INTERESTS**

**Senior Management's share-based remuneration are tied to operating performance and share price**

1. Cash Bonus
2. Restricted Share Plan
3. Performance Share Plan





# CAPITALAND LIMITED

Address by Group CFO Mr Andrew Lim

# Disclaimer

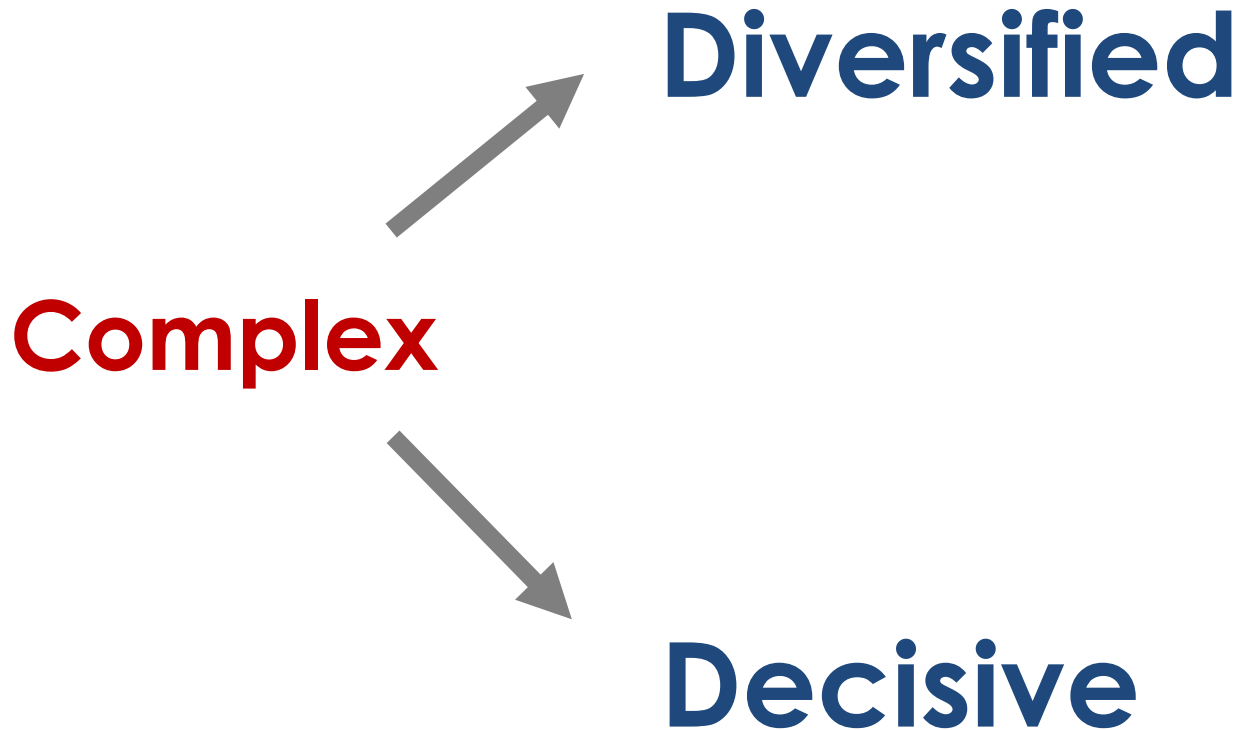


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**2019**

***A Transformational Year For CapitaLand***

# CapitaLand 3.0



## Growth Engines:

- ① **Developer:**
  - 4 core markets with sustainable competitive advantage
- ② **Fund Manager / Lodging Platform:**
  - Scalable/global
  - Capital efficient
  - Recurring income

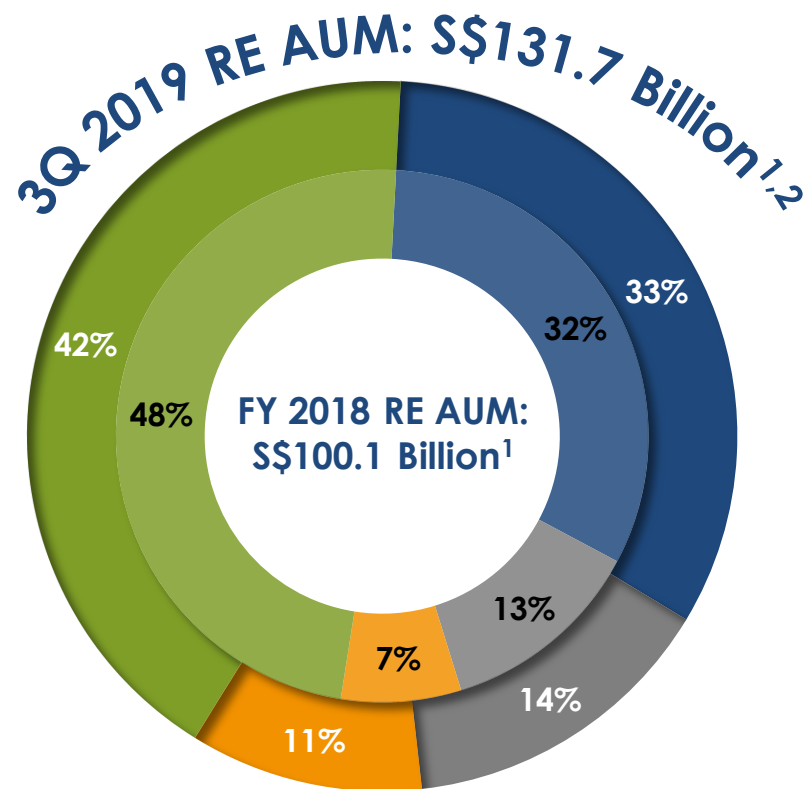
## Disciplined Capital Recycling

- Recalibrate for balance
- Position for growth
- Optimise return



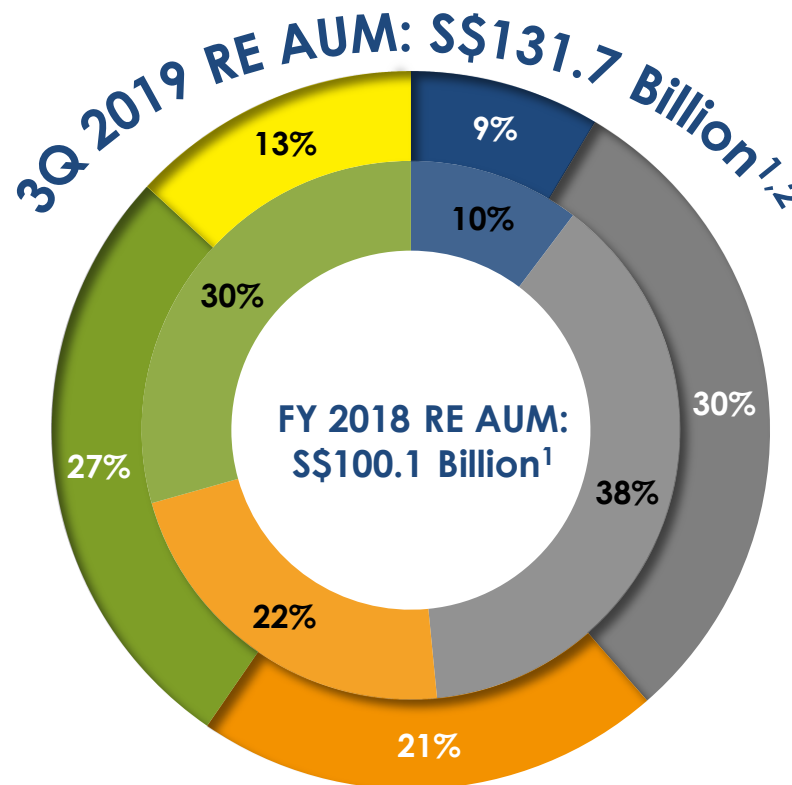
# Diversification Through Scale and Greater Balance

## By Geography



■ Singapore      ■ Other Developed Markets  
 ■ Other Emerging Markets<sup>3</sup>      ■ China<sup>5</sup>

## By Asset Class



■ Residential, Commercial Strata & Urban Development  
 ■ Retail  
 ■ Commercial  
 ■ Lodging<sup>6</sup>  
 ■ Business Park, Industrial & Logistics<sup>7</sup>

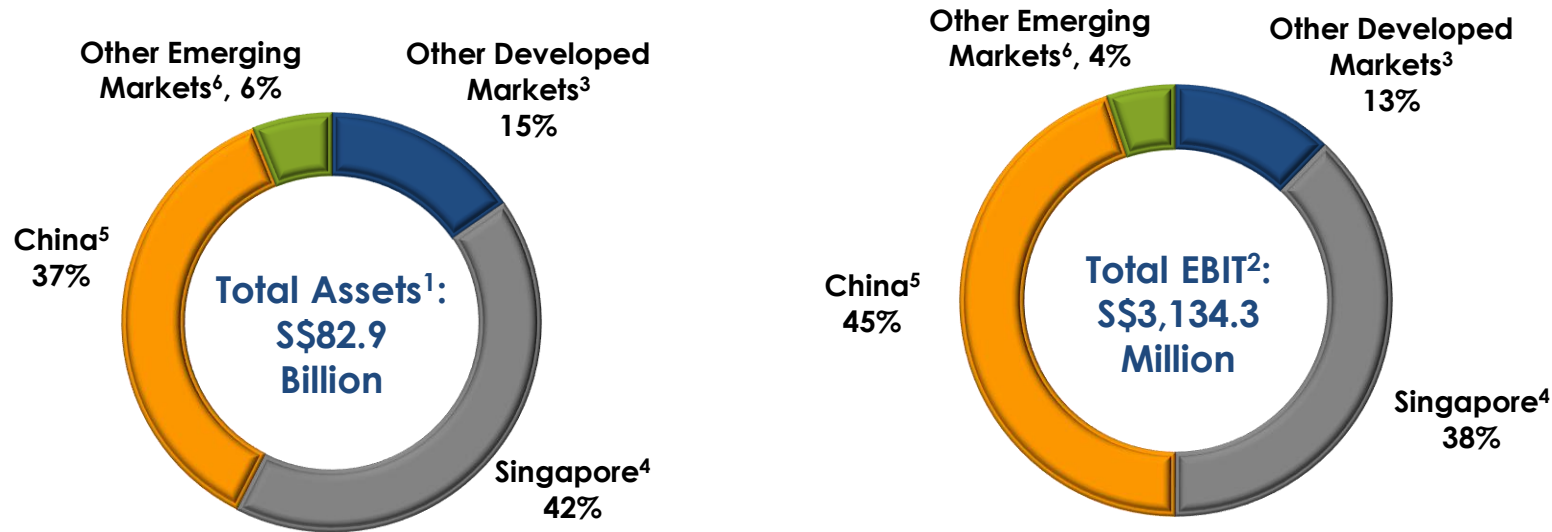
- +32% in 3Q 2019 RE AUM from S\$100.1 billion<sup>1</sup> as at FY 2018
- Addition of India results in greater balance across geographies
- Addition of Business Park, Logistics & Industrial<sup>7</sup> segment reduced concentration in other asset classes

Notes:

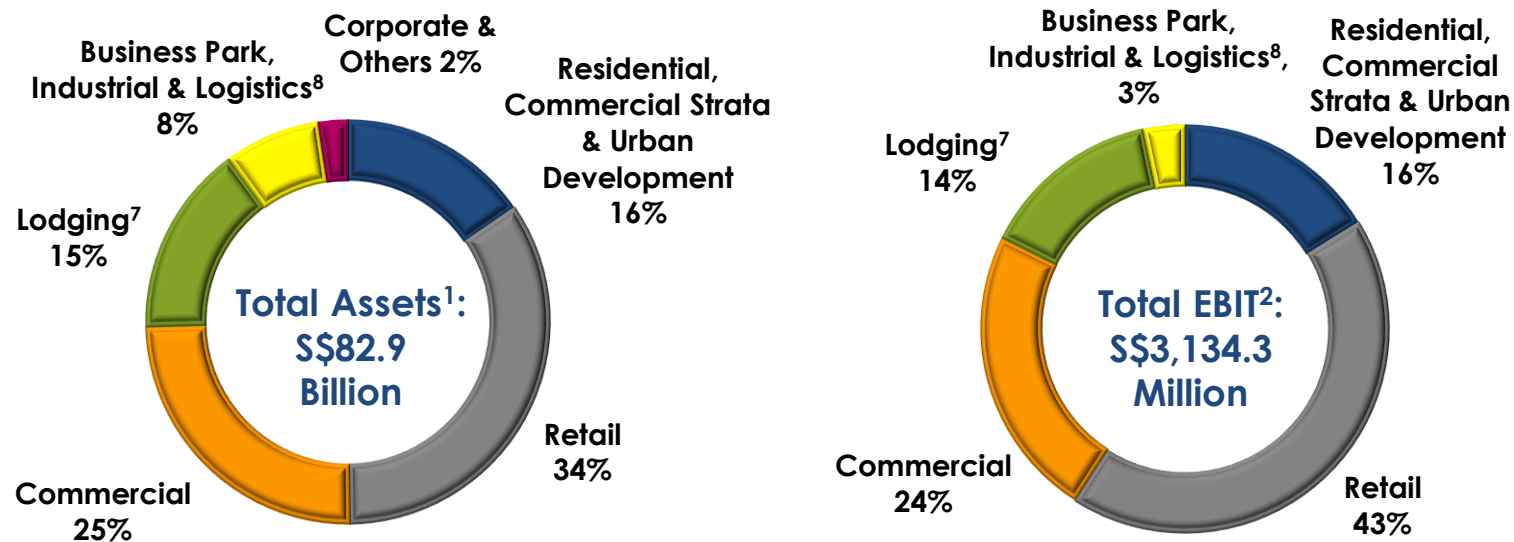
1. Refers to the total value of real estate managed by CapitaLand Group entities stated at 100% of property carrying value
2. Figures as at 30 Sep 2019, includes consolidation of ASB's RE AUM
3. Excludes Singapore and Hong Kong
4. Includes Hong Kong
5. Excludes China
6. Includes multifamily and hotels
7. Includes Data Centre

# Diversification Through Income Streams

## By Geography



## By Asset Class



### Key Takeaways:

- >80% of EBIT derived from recurring rental income from Investment Properties
- Well-balanced between Developed and Emerging Markets
- New Business Park, Industrial & Logistics asset class contributing to Group EBIT

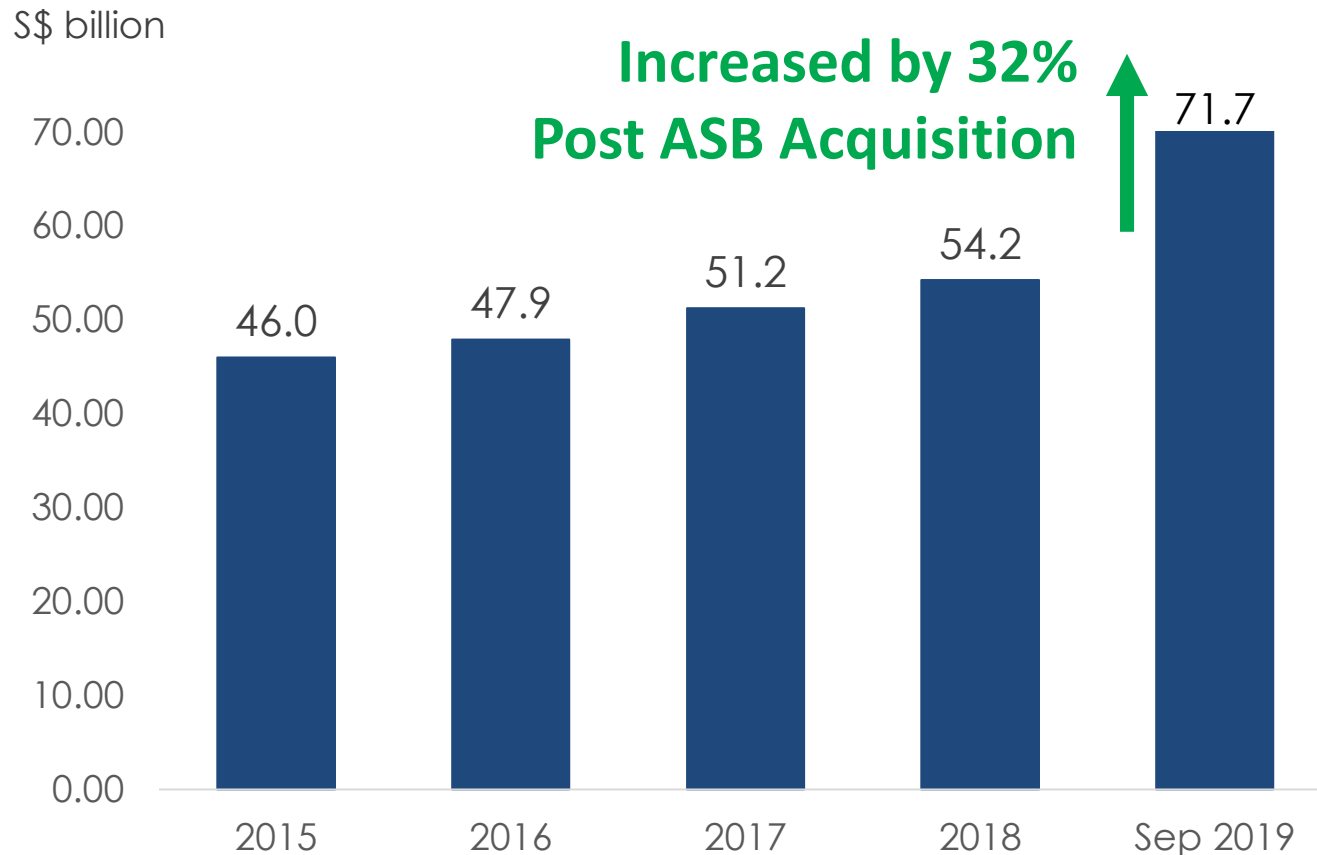
Notes:

1. Figures as at 30 Sep 2019
2. Figures YTD Sep 2019. EBIT by asset class includes loss relating to corporate & others which was not reflected in the chart
3. Excludes Singapore and Hong Kong
4. Includes corporate & others
5. Includes Hong Kong
6. Excludes China
7. Includes multifamily and hotels
8. Includes data centre

# Our Fund Platform Has Been Enlarged...



A Stable of Eight<sup>1</sup> REITs and Business Trusts and 25 Private Equity Funds To Propel Our Growth



- Fund AUM constitutes 54.4% of the Group's RE AUM
- CL PE funds successfully raised equity of S\$1.9 billion from capital partners in the 9 months to 30 Sep 2019
- Funds yet to be deployed of S\$1.5 billion
- Continued growth in Fund AUM to drive higher recurring fees

Note:

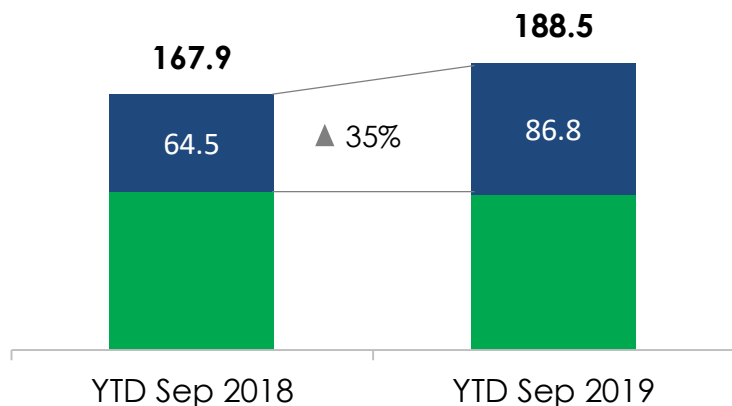
1. On 21 Oct 2019, unitholders approved the proposed combination of Ascott Residence Trust and Ascendas Hospitality Trust

# ... Two Growth Engines Driving Fee Income

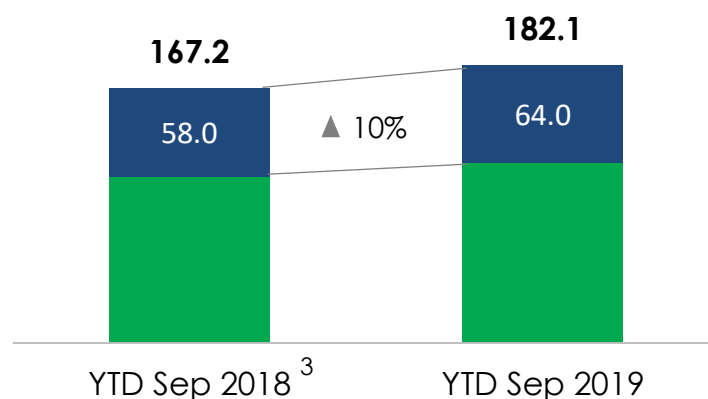


We Are Set On An Upward Growth Trajectory

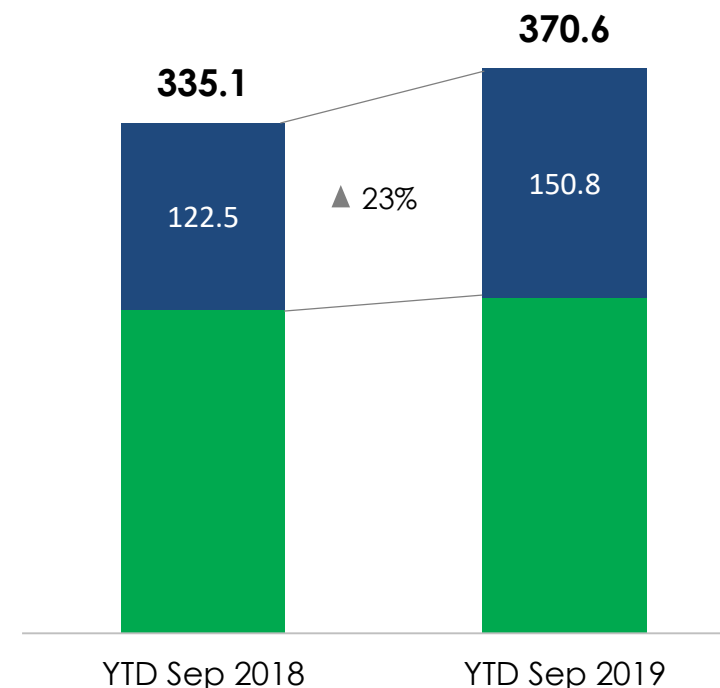
**REITs, Business Trusts & PE Funds<sup>1</sup>**  
(S\$ million)



**Lodging<sup>1,2</sup>**  
(S\$ million)



**Combined Funds & Lodging<sup>1</sup>**  
(S\$ million)



■ 3Q 2019      ■ 1H 2019

Note:

1. Includes fee based revenue earned from consolidated entities before elimination at Group level
2. Includes fee based and service fee income generated by the various serviced residences and hotel brands of the Group
3. Figures restated



# Decisive and Disciplined Capital Recycling

With Proactive Portfolio Reconstitution...

Gross Divestments  
**\$5.9**  
billion

Effective Divestment  
**\$4.9**  
billion

**Non-core assets/Opportunistic: \$2.1 billion**

**\$3.8 billion into REITs and funds**

**United States**

- 28 Freehold Office Properties

**Germany**

- 94.8% of Main Airport Center, Frankfurt

**China**

- CapitaMall Saihan, Hohhot
- CapitaMall Wuhu
- Storhub
- Innov Center, Shanghai
- CapitaMall Xuefu and CapitaMall Aidemengdun, Harbin
- CapitaMall Yuhuating, Changsha
- Pufa Tower, Shanghai
- Somerset Jiefangbei Chongqing
- 24.09% stake in Hong Kong-listed real estate company
- Citadines Mercer Hong Kong <sup>Fiji</sup>

**Abu Dhabi**

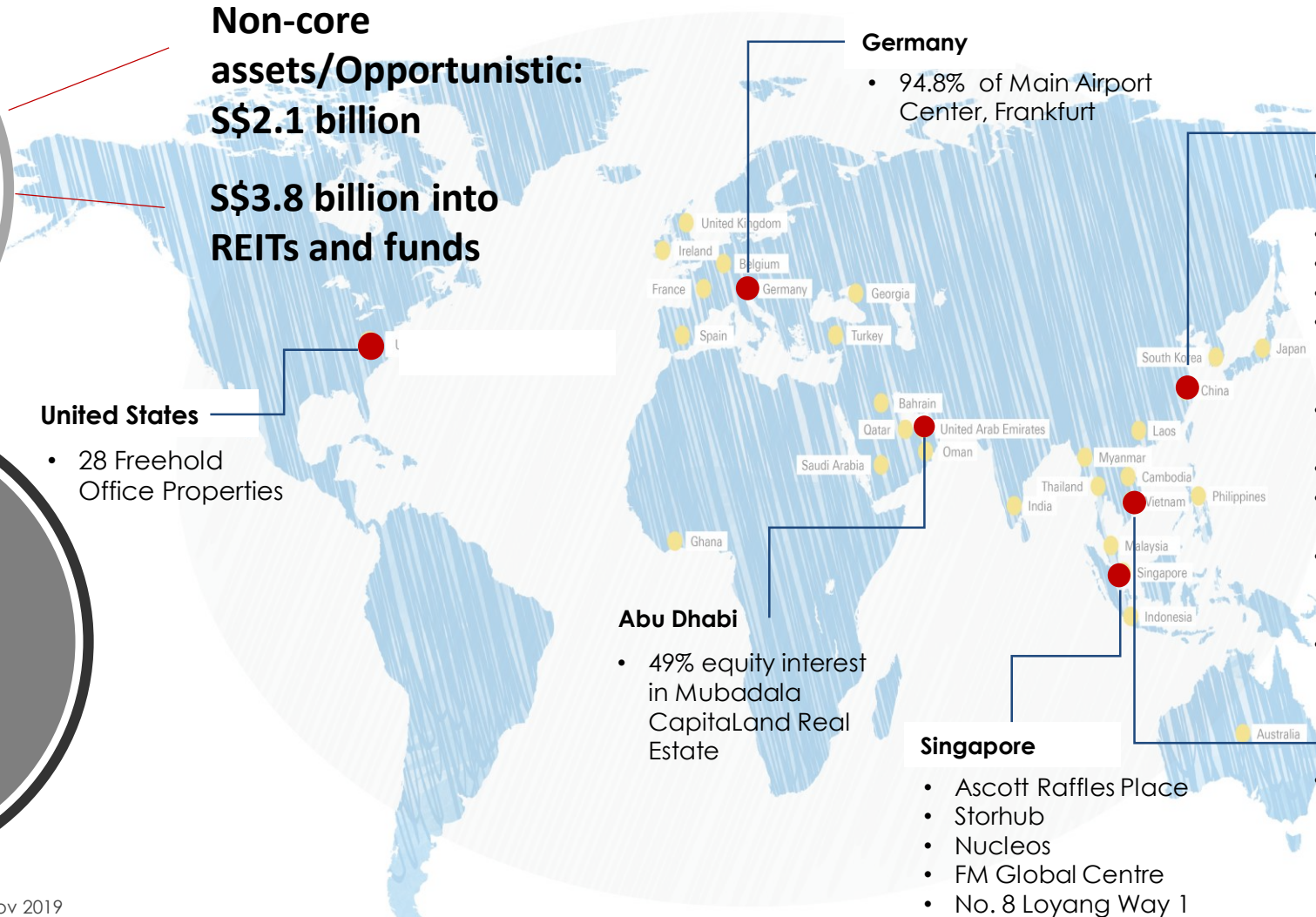
- 49% equity interest in Mubadala CapitaLand Real Estate

**Singapore**

- Ascott Raffles Place
- Storhub
- Nucleos
- FM Global Centre
- No. 8 Loyang Way 1
- The Star Vista
- Somerset Liang Court

**Vietnam**

- Somerset West Lake Hanoi <sup>New Zealand</sup>



Note:

- Announced transactions from 1 Jan 2019 to 21 Nov 2019
- Figures includes assets divested to unrelated parties and CapitaLand REITs/ Funds and acquired by CapitaLand/ CapitaLand REITs/ Funds from unrelated parties. Purchase consideration figures are on 100% basis. Gain on divestments are based on effective stakes.
- Above listing excludes a divestment in international portfolio, held by fund

# At the Same Time, Supporting the Growth of Our Listed and Private Fund Vehicles



65% of the S\$5.8 billion gross investments were via REITs and Funds

**Capital released YTD : ~S\$2.9 billion**

## United States

- 28 Freehold Office Properties (Ascendas REIT)

## Germany

- 94.8% of Main Airport Center, Frankfurt (CCT)

## China

- Pufa Tower, Shanghai (CL)
- Yuquan Mall, Hohhot
- Innov Center, Shanghai
- CapitaMall Xuefu and CapitaMall Aidemengdun, Harbin (CRCT)
- Pufa Tower, Shanghai (CAP I)
- CapitaMall Yuhuating, Changsha (CRCT)

## India

- Warehouse at Arshiya Free Trade Warehousing Zone, Panvel, Navi Mumbai (AIT)

## Singapore

- Liang Court
- Nucleos (Ascendas REIT)
- FM Global Centre (Ascendas REIT)

## Australia

- Citadines Connect Sydney Airport (ART)
- Citadines Walker North Sydney (ART)
- 254 Wellington Road, Melbourne (Ascendas REIT)

### Note:

- Announced transactions from 1 Jan 2019 to 21 Nov 2019
- Figures includes assets divested to unrelated parties and CapitaLand REITs/ Funds and acquired by CapitaLand/ CapitaLand REITs/ Funds from unrelated parties. Purchase consideration figures are on 100% basis. Gain on divestments are based on effective stakes
- Above excludes an investment in a property in Singapore, held by fund

# Positioning for Growth

Coupled with Greater Financial Flexibility and Balance Sheet Resilience



# 0.64x

Target  
Net Debt/Equity

By 2020

Decreased net D/E to 0.69x<sup>1</sup> from 0.73x within a quarter

~S\$11.8 billion in cash and available undrawn facilities

Capitalised on low interest rate environment  
Raised a total of S\$12.4 billion<sup>2</sup> through bonds and notes

Debt headroom of S\$2.3 Billion<sup>3</sup>

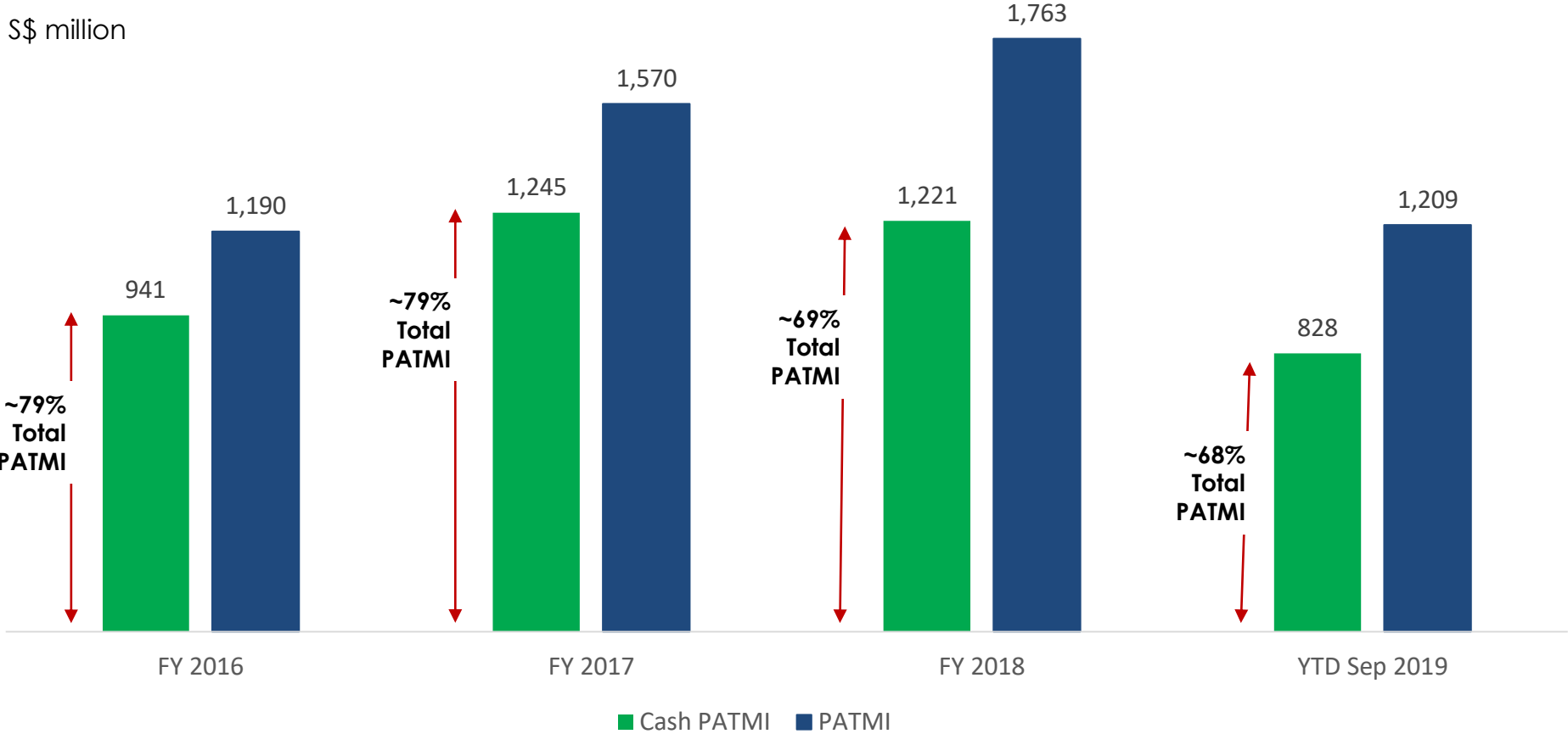
Note:

1. Net debt as at 30 Sep 2019 excluded the borrowings associated with the 30 business park properties which were reclassified to liabilities held for sale following the announcement of their divestment on 1 Nov 2019
2. As at 30 Sep 2019
3. Refer to debt headroom from 0.64x to 0.70x based on total equity of S\$39.0 billion as of 30 Sep 2019

# Optimising Return Whilst Retaining Quality of Income



Our Cash PATMI<sup>1</sup> Continues to be High



Notes:

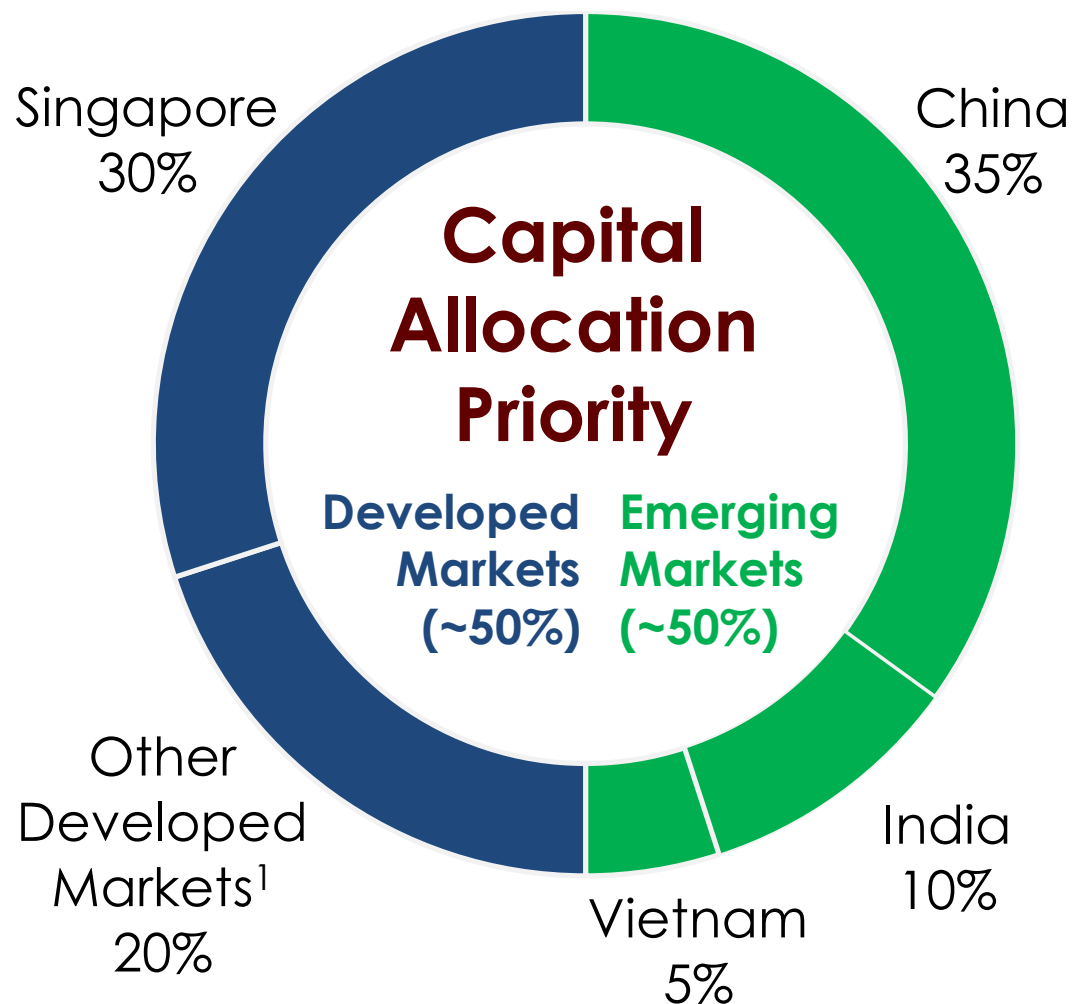
1. Cash PATMI = Operating PATMI + Portfolio Gains + Realised Revaluation Gains



**BUT WHAT IS IMPORTANT IS**  
*Our Future Growth*

# Balanced Capital Allocation

50-50 Split Between Developed and Emerging Markets



## CAPITALAND'S CORE MARKETS

Possessing deep local knowledge and experience  
Providing a full value chain of real estate capabilities

**Developer**

**Owner**

**Operator**

**Asset Manager**

**Fund Manager**

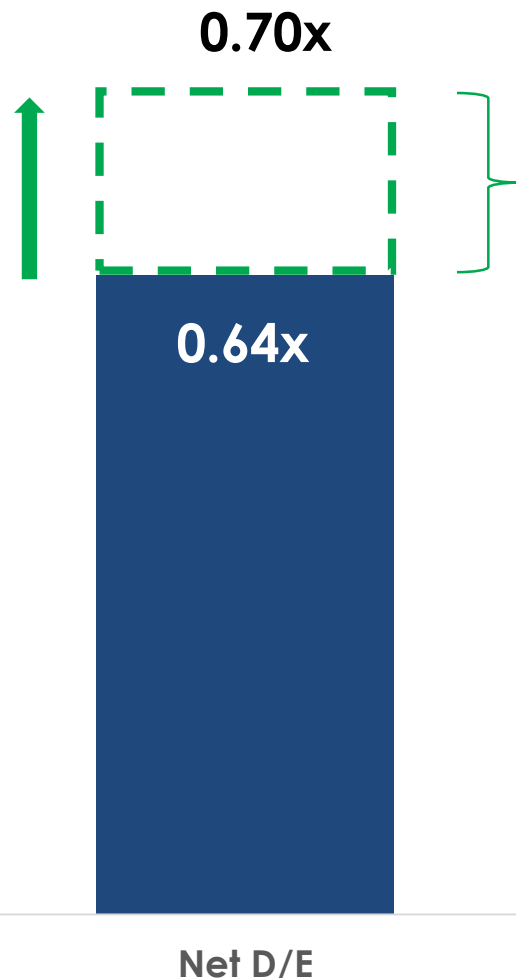
## OTHER DEVELOPED MARKETS

To Balance Against EM Exposure  
Focus on DMs offering opportunities of meaningful scale

Note:  
<sup>1</sup> Developed Markets exclude Singapore

# Well-positioned to Drive Growth

Target 0.64x net debt/equity, what is the headroom to 0.7x?



Implied consolidated debt headroom of S\$2.3 billion<sup>1</sup> to underwrite growth opportunities

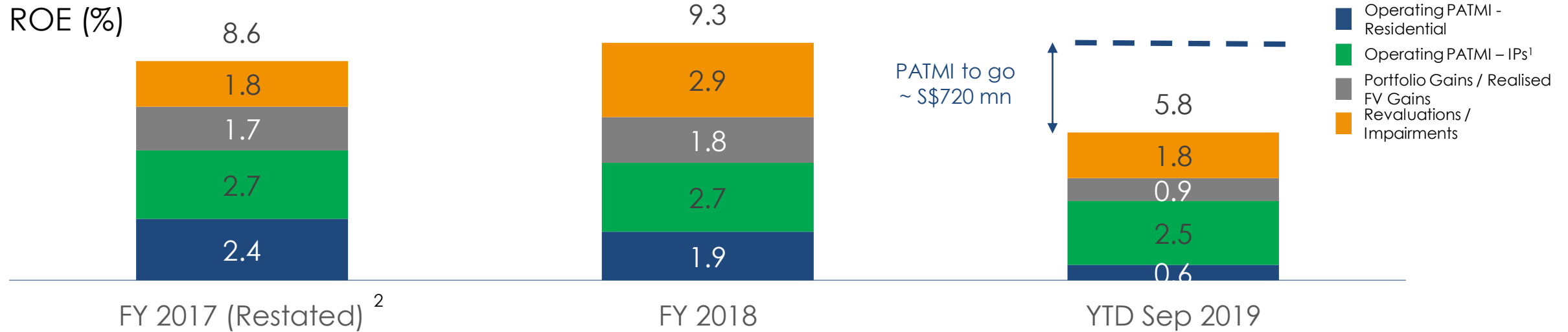
*Illustrative AUM growth multiplier<sup>2</sup>:*

- 1x for consolidated investments
- 1.5x – 5x for REIT investments
- 4x – 10x for associate/fund investments<sup>3</sup>

Notes:

1. Based on total equity of S\$39 billion as at 30 Sep 2019
2. Assuming 40% gearing for REIT investments and 50% gearing for associate/fund investments
3. Assuming a stake of between 20% - 50%

# We're Into Our Third Year of Delivering Sustainable ROE > COE



- ROE jumped from FY 2016's 6.6%
- Emphasis on disciplined asset recycling – \$2.6 billion gross value recycled

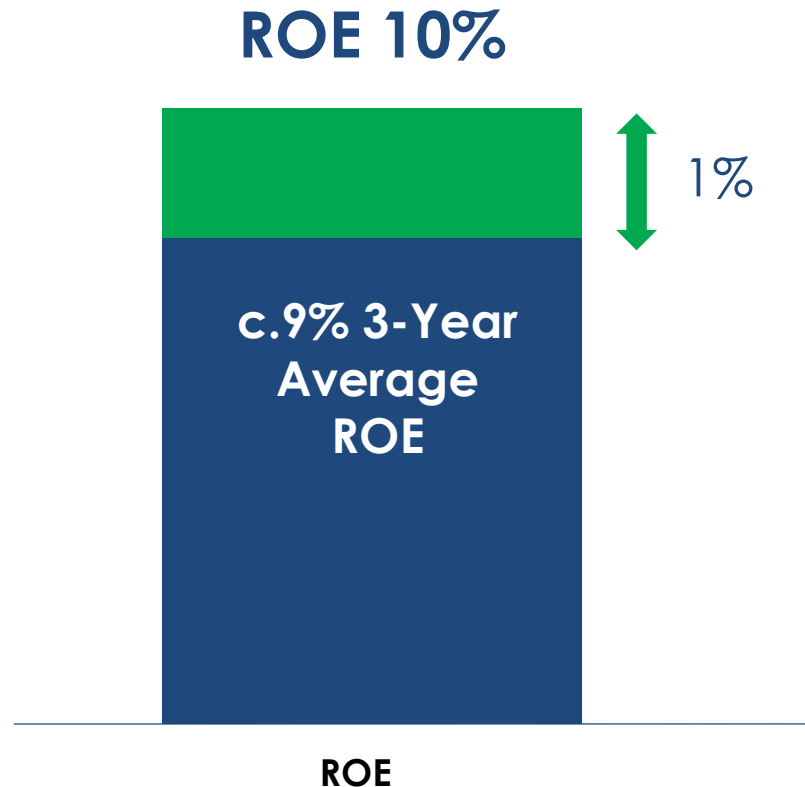
- Gross divestment value close to \$4 billion

- ~\$5.7 billion of divestments YTD with portfolio gains from ~\$2.3 billion of gross divestment to be recognised in 4Q
- ASB portfolio to contribute its second quarter of income (\$35 million in 3Q 2019)
- China's residential handovers
- Cost of equity estimated at 8% - 9%

Notes:  
 1. Include corporate and unallocated cost  
 2. Comparatives have been restated due to adoption of SFRS (I) 15 Revenue from Contracts with Customers



# Achieving Double Digit Return On Equity



## Achieve 10% run rate ROE with -

- Fee Income Growth From Enlarged Fund AUM & Lodging Platform
- Cost/Process Optimisation
- Capital Deployment

$$\frac{\$226 \text{ million}}{\$22,625 \text{ million}} = 1\%$$

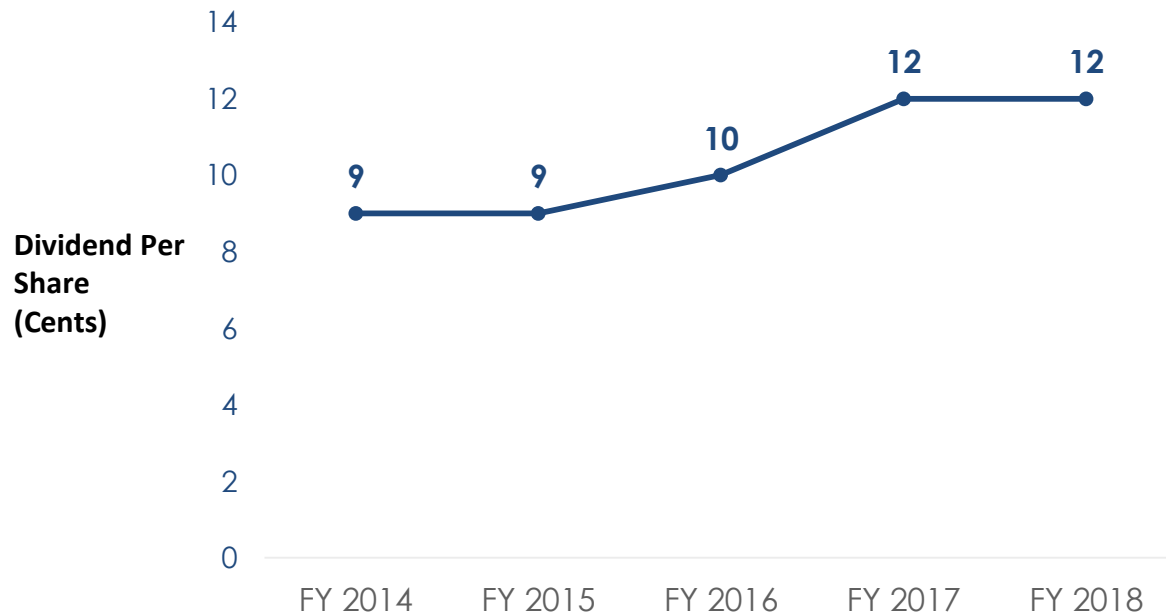
# We Are in Good Shape to Sustain Returns for Shareholders



As We Have Always Been...

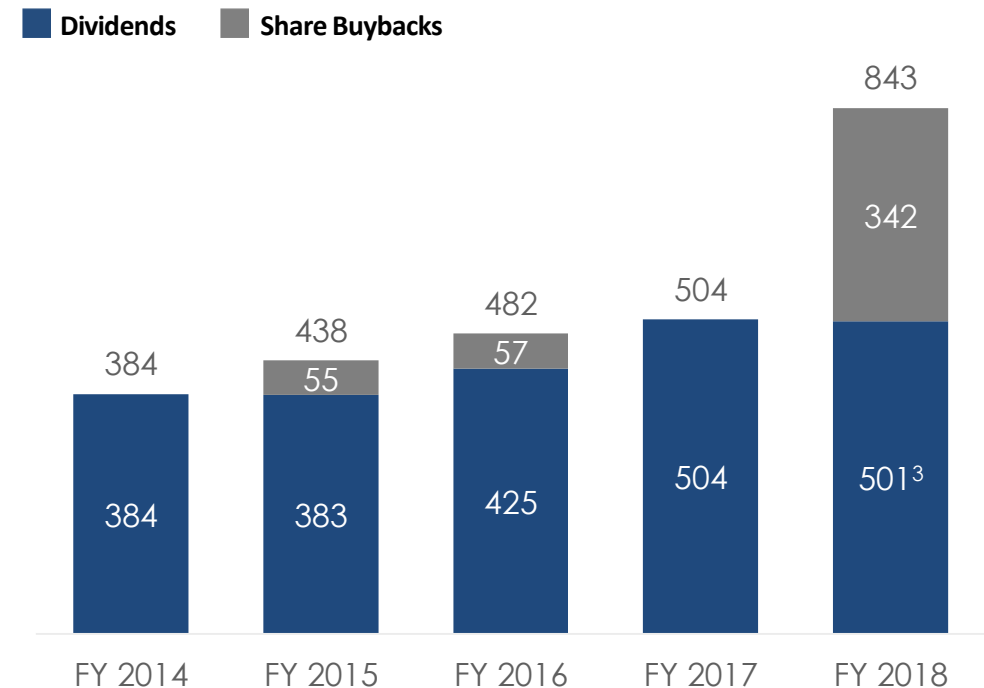
## Dividends<sup>2</sup> Paid To Shareholders

Cumulative Dividends as % of Cash PATMI Over 5 Years<sup>1</sup>: ~43%



## Total Capital Returned To Shareholders (\$\$mm)

Cumulative Capital Returned Over 5 Years: ~\$\$2.7bn



Note:

1. Total Dividend Payout as a % of Cash PATMI
2. Barring unforeseen circumstances, the Company's policy is to declare a dividend of at least 30% of the annual profit after tax and non-controlling interests excluding unrealised revaluation gains or losses as well as impairment charges or write backs.

# Breaking Through 0.8x P/NAV



And Staying There...

S\$



Price change	5-Year <sup>2</sup>	3-Year <sup>3</sup>	YTD Nov 19 <sup>4</sup>
CapitaLand	10.5%	21.5%	16.5%
STI Index	-3.6%	12.2%	3.8%

Total Return <sup>1</sup>	Shareholder	5-Year <sup>2</sup>	3-Year <sup>3</sup>	YTD Nov 19 <sup>4</sup>
CapitaLand		26.2%	32.8%	20.3%

Note:

1. Total return of a share to an investor (i.e. change in share price between beginning and end of year plus dividend paid during the year)
2. From 28 Nov 2014 to 27 Nov 2019
3. From 28 Nov 2016 to 27 Nov 2019
4. From 28 Nov 2018 to 27 Nov 2019



# Conclusion





# Key Takeaways

1. We are positioning CapitaLand for growth
2. Acceleration of growth trajectory through increasing access to third party capital for development and investments and growing fee income
3. Hands on and prudent capital management is critical to how we run our business



# CapitaLand Financial

CapitaLand Investor Day 2019

29 November 2019

# 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.



# Overview

**S\$71.7b**

Fund Assets Under Management

**8**

Listed REITs & Business Trusts

**25**

Private Funds

**Global and Asia (4)**

- Ascott Residence Trust
- Ascendas Hospitality Trust
- Ascott Serviced Residence (Global) Fund
- CapitaLand Asia Partners I

**India (4)**

- Ascendas India Trust
- CapitaLand Mall India Development Fund
- Ascendas India Growth Programme
- Ascendas India Logistics Programme

**Korea (5)**

- Ascendas Office Private Real Estate Investment Trust 1
- Ascendas Korea Office Private Real Estate Investment Trust 2
- Ascendas Korea Office Private Real Estate Investment Trust 3
- Ascendas Korea Office Private Real Estate Investment Trust 4
- Ascendas Korea Office Private Real Estate Investment Trust 5

**Vietnam (2)**

- Vietnam Joint Venture Fund
- CapitaLand Vietnam Commercial Value-Added Fund

**Singapore (3)**

- CapitaLand Mall Trust
- Ascendas Real Estate Investment Trust
- CapitaLand Commercial Trust

**Malaysia (1)**

- CapitaLand Malaysia Mall Trust

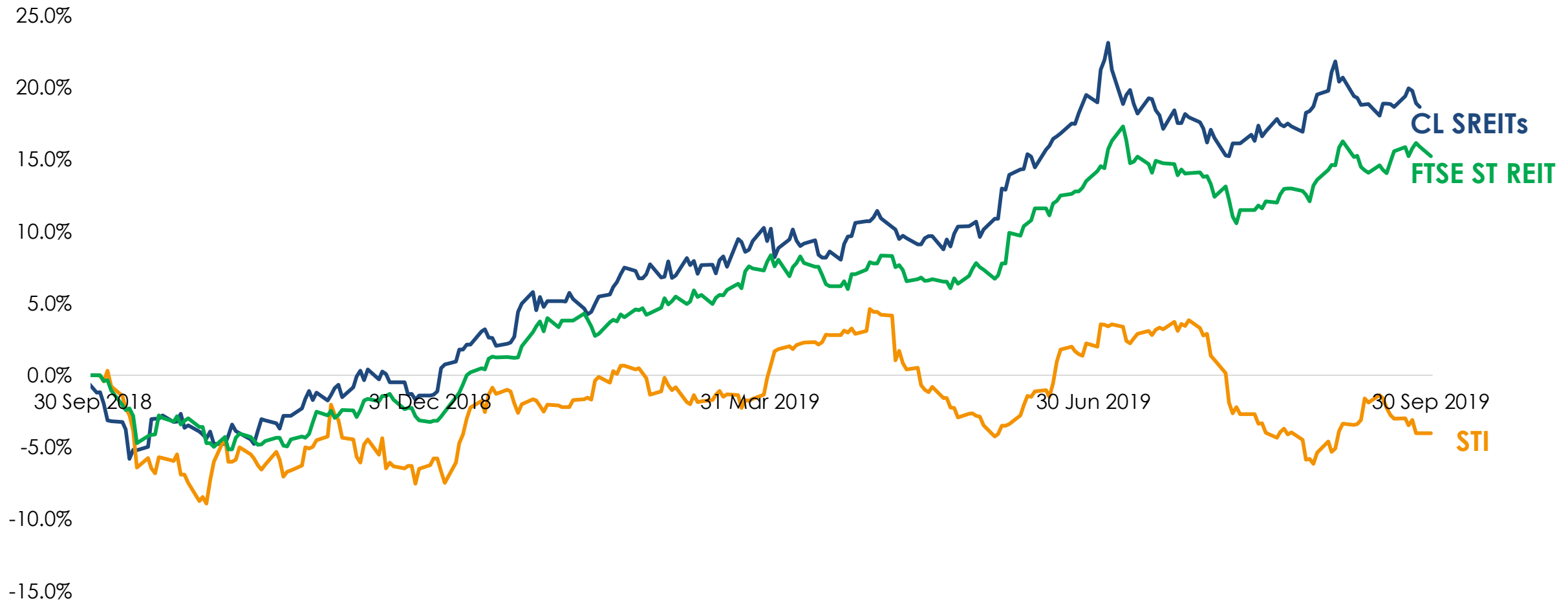
**China (14)**

- CapitaLand Retail China Trust
- CapitaLand Mall China Income Fund I
- CapitaLand Mall China Income Fund II
- CapitaLand Mall China Income Fund III
- CapitaLand Mall China Development Fund III
- Ascott Service Residence (China) Fund
- Raffles City China Income Ventures Limited
- Raffles City Changning JV
- CapitaLand Township Development Fund I
- CapitaLand Township Development Fund II
- Ascendas China Business Parks Fund 4
- Raffles City China Investment Partners III
- Ascendas China Commercial Fund 3
- CREDO I China

- One of Asia's leading fund managers
- CapitaLand pioneered the development of the REITs industry in Singapore with the listing of the first REIT in Singapore



# Comparative 1-year trading to Sep quarter end

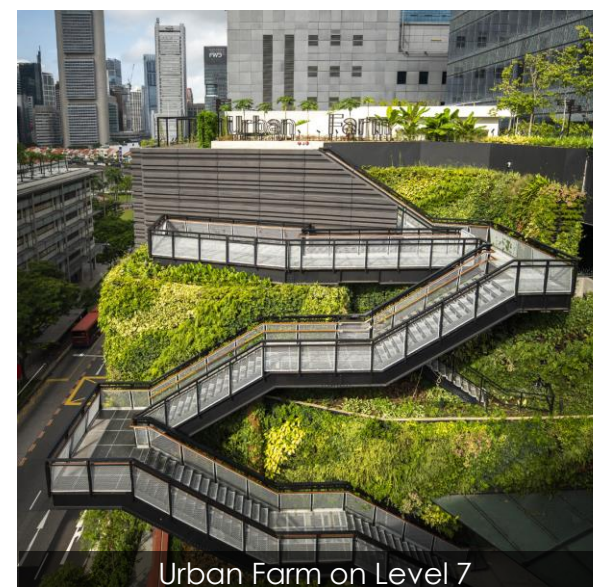
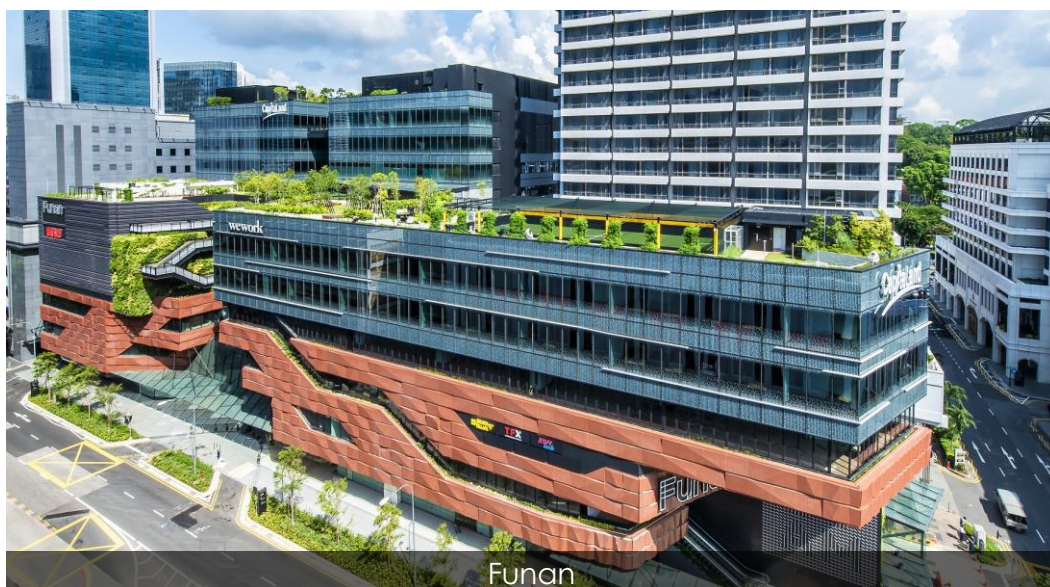


Source: Bloomberg  
From 30 Sep 2018 to 30 Sep 2019

# Delivering sustainable returns

## CapitaLand Mall Trust

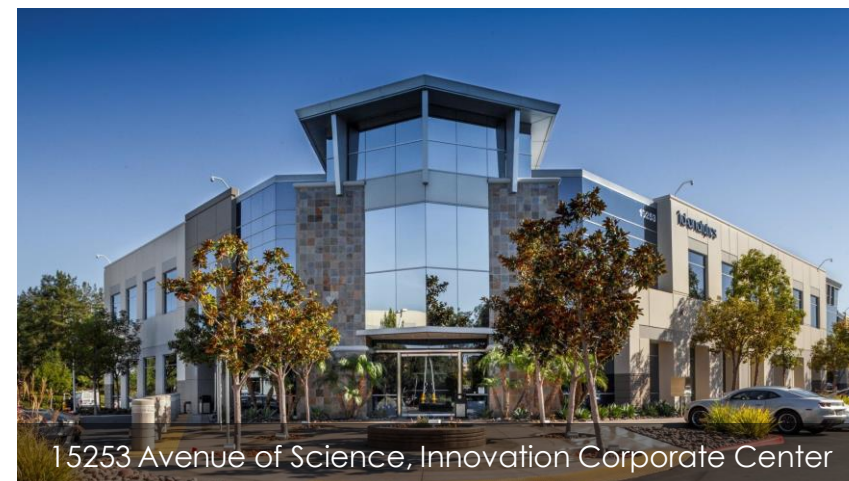
- DPU for the quarter ended Sep 19 grew by 4.8% YoY due to contributions from the completion and reopening of Funan and the acquisition of the remaining 70% stake in Westgate
- **Ongoing & Completed Asset Enhancement Initiatives**
  - Rejuvenation of Lot One Shoppers' Mall through expansion of the public library as well as upgrading of cinema (Ongoing)
  - Redevelopment of Funan (2019)
- **Proactive Capital Recycling** – Divested 5 properties since 2012 to redeploy proceeds into higher quality assets



# Delivering sustainable returns

## Ascendas REIT

- DPU for the quarter ended Sep 19 increased by 2.3% YoY, mainly attributable to the UK portfolio acquired in 2018
- **Acquisitions in 2019**
  - Proposed maiden acquisition in United States of 28 business park properties along with 2 business park properties in Singapore for S\$1.66 billion (Nov 19)
  - Acquired 254 Wellington Road, a suburban office in Melbourne, Australia for S\$104.4 million (Oct 19)
- **Ongoing & Planned Asset Enhancement Initiatives**
  - Built-to-suit business park development for Grab
  - Redevelopment of 25 & 27 Ubi Road 4
  - AEs for selected SG assets
- **Proactive Capital Recycling** – divested 15 properties (S\$0.7 billion) at above NAV (2013 to-date)

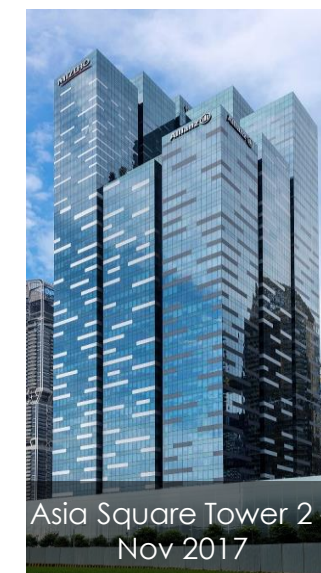
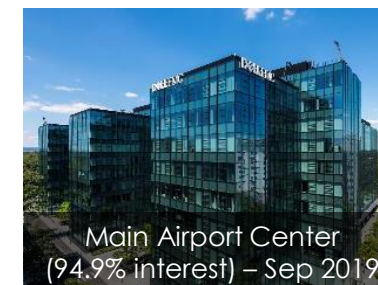




# Delivering sustainable returns

## CapitaLand Commercial Trust

- YTD Sep 19 DPU increased by 1.9% YoY due to improved NPI performance and lower interest expense
- **Acquisition in 2019**
  - Continuing expansion in Germany office market provides income stability and portfolio diversification benefits (Main Airport Center – Sep 2019)
- **Ongoing & Planned Asset Enhancement Initiatives**
  - Asset enhancement initiatives planned for Six Battery Road & 21 Collyer Quay in 2020/2021, post enhancement contribution largely expected from 2021
  - Redevelopment of CapitaSpring expected to contribute from 2022, call option to acquire balance 55%
- **Proactive Capital Recycling**
  - Divested assets above valuation since 2017, redeployed proceeds into higher yielding assets



# Delivering sustainable returns

## Ascott Residence Trust




- Cement position of largest hospitality trust in Asia Pacific post combination with Ascendas Hospitality Trust
- YTD Sep 19 DPU increased by 7% YoY due to lower finance costs, one-off realized exchange gain and distribution of divestment gain
- **Acquisition in 2019**
  - Acquired a prime freehold hotel in Sydney, Australia for A\$60.6 million in May 2019
- **Ongoing & Completed Asset Enhancement Initiatives**
  - Completed AEs in Element New York Times Square West and Somerset Grand Citra Jakarta in 2Q 2019
  - Embarked on maiden development project lyf one-north in 2018
- **Proactive Capital Recycling**
  - Announced sale of partial GFA of Somerset Liang Court Singapore, of which the net proceeds would be utilized to fund the redevelopment of retained GFA into a new Somerset serviced residence with hotel licence
  - Divested Somerset West Lake Hanoi above valuation
  - Divested Ascott Raffles Place Singapore and redeployed capital towards the acquisition of Citadines Connect Sydney Airport





# S\$1.9 billion<sup>(1)</sup> Combination of Ascott Reit and Ascendas Hospitality Trust

## Overview of the Combination

<p><b>Consolidate Ascott Reit's position as the largest hospitality trust in Asia Pacific</b> with total assets of S\$7.6 billion<sup>(2)</sup></p> <p>Facilitate inclusion into FTSE EPRA Nareit Developed Index</p>	<p><b>Enhance portfolio diversification and resilience</b></p> 	<p> <b>Strengthen position for future growth</b></p> <p><b>Stronger financial position to capture the rising hospitality market</b></p>	<p><b>DPU accretion to Unitholders...</b></p> <p> <b>+2.5%</b> FY2018 <i>pro forma</i> DPU</p> <p><b>...while being neutral to NAV per Unit<sup>(3)</sup></b></p>
---	---	--	--

## Total Scheme Consideration of S\$1.2 billion<sup>(4)</sup> comprises:

<p><b>S\$1.0868</b> per A-HTRUST Stapled Unit</p>	<p>=</p>	<p><b>5% Cash Consideration</b> S\$0.0543 in cash<sup>(5)</sup></p>	<p>+</p>	<p><b>95% Consideration Units</b> 0.7942 new Ascott Reit-BT Stapled Units<sup>(5)</sup> issued at S\$1.30</p>
---	----------	---	----------	---

Notes:

- Based on the total assets of Ascendas Hospitality Trust ("A-HTRUST") as at 31 March 2019.
- Based on the combined total assets of Ascott Reit and A-HTRUST as at 31 March 2019.
- As at 31 December 2018, on a pro forma basis, assuming the premium over NAV is written off and transaction costs are excluded.
- Based on a total of 1,136.7 million A-HTRUST Stapled Units as at 3 July 2019, date of the joint announcement.
- The aggregate Cash Consideration to be paid to each A-HTRUST Stapled Unitholder shall be rounded to the nearest S\$0.01. The number of Consideration Units which each A-HTRUST Stapled Unitholder shall be entitled to pursuant to the A-HTRUST Scheme, based on the number of the A-HTRUST Stapled Units held by such A-HTRUST Stapled Unitholder as at the A-HTRUST Scheme Entitlement Date, shall be rounded down to the nearest whole number, and fractional entitlements shall be disregarded.

# Delivering sustainable returns

## CapitaLand Retail China Trust

- Core DPU for the quarter ended Sep 19 grew by 4.3% YoY due to higher organic growth from existing malls as well as contribution from the 3 newly acquired malls
- **Acquisitions in 2019**
  - Announced acquisition of Yuquan Mall for RMB808.3 million and divestment of CapitaMall Saihan for RMB460.0 million as a bundle deal to rejuvenate portfolio in Feb 2019
  - Acquired 3 malls, CapitaMall Xuefu, CapitaMall Aidemengdun and CapitaMall Yuhuating in August 2019 for a total of RMB2,960 million
- **Planned & Completed Asset Enhancement Initiatives**
  - AEI plan for Rock Square to optimise leasing space to generate additional revenue, create better shopper circulation
  - Executed effective space reconfigurations across CapitaMall Wangjing, CapitaMall Xizhimen and CapitaMall Xinnan
- **Proactive Capital Recycling**
  - Unlocked value by divesting CapitaMall Anzhen in 2017 and CapitaMall Wuhu in 2019 above valuation



Artist's Impression of Yuquan Mall



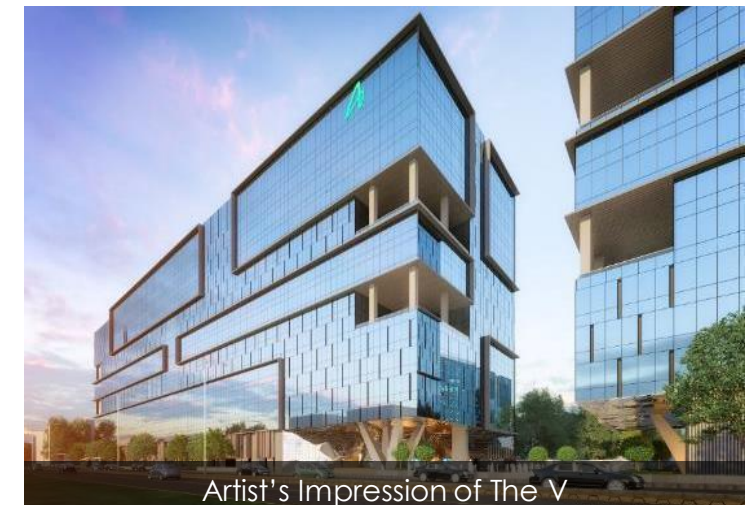
CapitaMall Xuefu

# Delivering sustainable returns

## Ascendas India Trust

- DPU for the quarter ended Sep 19 increased by 15% YoY due to incremental rental income from Anchor and aVance Pune, positive rental reversions and reduction in Minimum Alternative Tax rate
- **Forward Purchases in 2019**
  - Announced in June 2019 the construction funding and forward purchase of BlueRidge 3 Phase 1 and Phase 2 for an estimated total consideration of INR9,810 million
  - Announced in July 2019 the construction funding and forward purchase for a warehouse at the Arshiya Free Trade Warehousing Zone for an estimated total consideration of INR2,149 million
- **Ongoing & Completed Asset Enhancement Initiatives**
  - Commenced construction of Multi Tenant Building 5 in International Tech Park Bangalore (ITPB)
  - Completed development of Anchor building in ITPB in May 2019
  - Redevelopment of The V Phase 1 is currently in progress
- Closed an upsized private placement issue of S\$150 million in November 2019, which was approx. 4.1X<sup>1</sup> covered. Proceeds to be earmarked for potential investment

<sup>1</sup> Based on initial base size of S\$100 million





# Delivering sustainable returns

## CapitaLand Malaysia Mall Trust

- YTD Sep 19 DPU was 4.73 sen which translates to a distribution yield of 5.9%<sup>2</sup>
- **Completed Asset Enhancement Initiatives**
  - Completed a RM54.5 million AEI to refurbish the annex block of Sungei Wang into a trendy lifestyle zone named JUMPA which opened in Sep 2019
  - Space reconfiguration to optimise the layout on Level 4 at Gurney Plaza to bring in a new range of tenants (Q4 2018)
  - Enhancement works on Level 1 at East Coast Mall to cater for international fashion and sports brands (Q3 2018)
- **Operational efficiency**
  - Successful portfolio-wide implementation of cashless parking system



Gurney Plaza's Facade



JUMPA@Sungei Wang

Notes:

1. Based on valuations of CMMT portfolio as at 30 June 2019
2. Based on market price of RM1.08 on 30 September 2019

# Private Funds Raised in 2019

## CapitaLand Asia Partners I

Asia's key gateway cities



- Fund Size: US\$391.3 million
- Discretionary real estate equity fund
- Value-add and transitional office buildings in Asia
- First Close: Feb 2019

## Ascendas China Commercial Fund 3

China



- Fund Size: S\$436 million

## CREDO I China

China



- Fund Size: US\$556 million
- Discretionary real estate debt fund
- Real estate loans in China's first- and second-tier cities
- Fund Close: Feb 2019

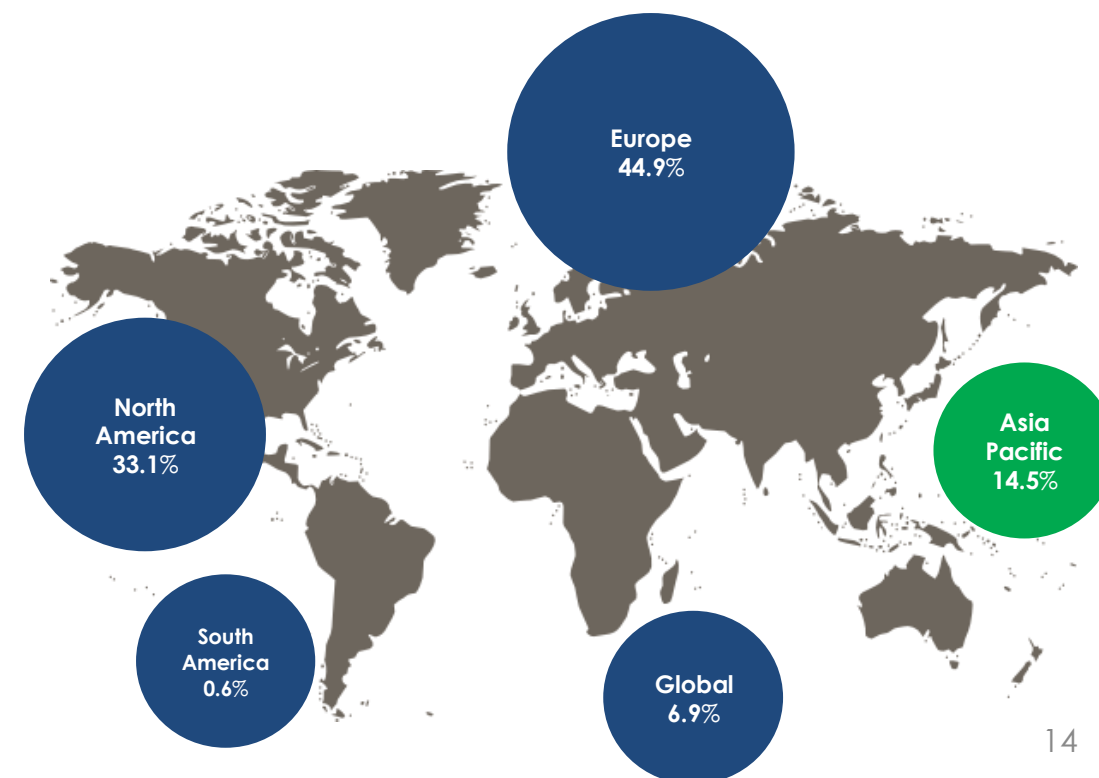


# Increasing capital allocation to real estate

- In 2018, US\$185.4 billion of private equity was raised globally for real estate investments
- Around 14.5% of capital raised was for investments into Asia Pacific, while 33.1% was designated for North America and 44.9% for Europe
- Total US\$2 trillion AUM in non-listed real estate vehicles
- As of Q3 2019, CL's AUM in private funds is S\$23.8 billion (US\$17.4 billion)

Private equity raised for real estate investments in 2018

Private equity raised for real estate investments



Source: ANREV Capital Raising Survey and Fund Manager Survey 2019

# Positioning for Growth

- 1** Grow our real estate private funds across geographies and asset classes
  - Scale up existing business lines
  - Expand product offerings in key gateway cities
  
- 2** Leverage on the Group's global presence and expertise in real estate development, operation and financing to identify and acquire assets at favourable values to deliver competitive risk adjusted returns
  
- 3** To ensure alignment of interests, we are prepared to put our capital to work alongside our investors for all investments

# CL Funds Universe (Current)

	Retail	Office	Logistics / Industrial	Business Parks / Suburban Office	Lodging / Residential	
Singapore	CMT	CCT, CAP I	AREIT		ART <sup>2</sup>	
Australia						
United Kingdom						
Europe	CCT					
United States						
China	CRCT, CMICF 1,2,3 & CMCDF 3	CAP I & ACCF3	CREDO <sup>1</sup>	ACBPF4 & CREDO <sup>1</sup>	ASRCF, CTDF 1 & 2	
Malaysia	CMMT					
India			AIT	AILP	AIT	AIGP
Japan					ART <sup>2</sup>	ASRGF
Vietnam						VJVF
Korea						

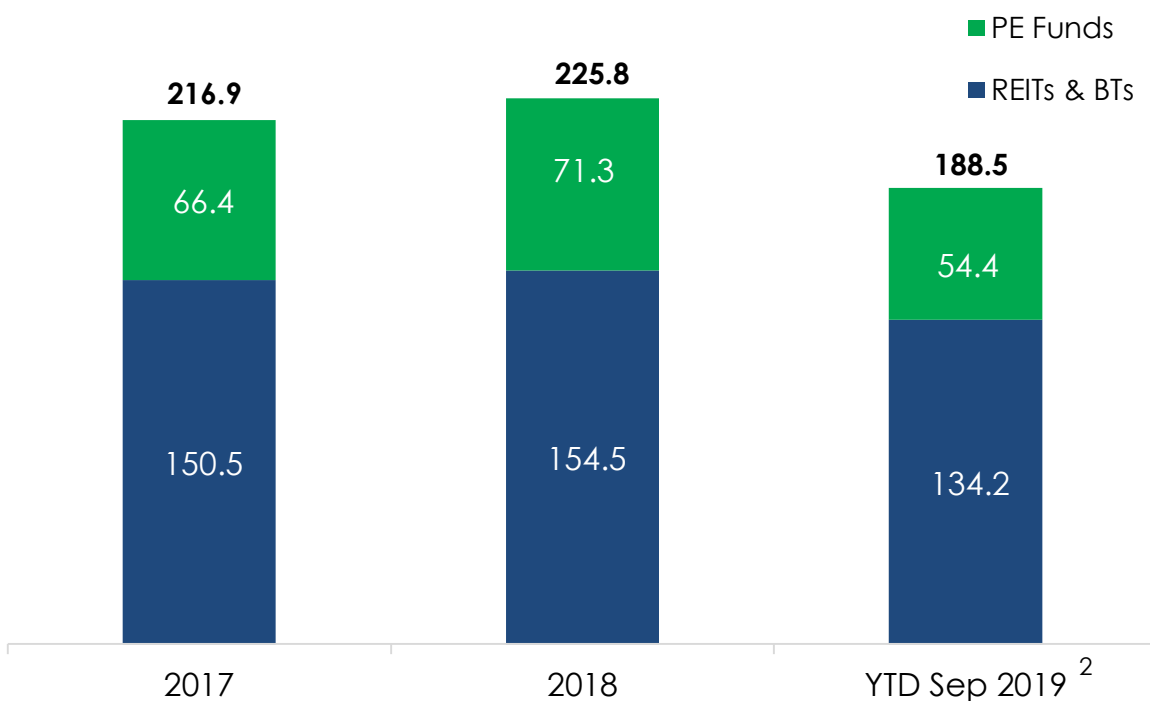
<sup>1</sup> CREDO 1 China is a private fund focused on investing in China real estate debt across various asset types

<sup>2</sup> ART also has assets in The Philippines and Indonesia

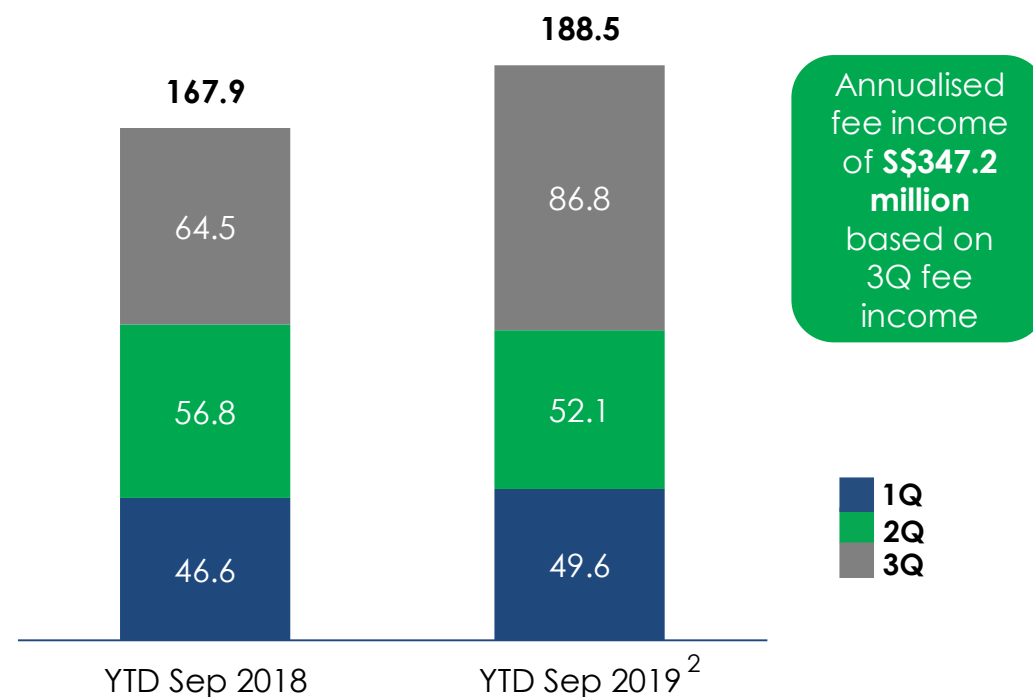
# Capital Deployment Optimised Through REITs, Business Trusts, and PE Funds

- Continued momentum in Fund AUM driving fee growth of more than 10% YTD
- Earned S\$188.5 million of fees in YTD Sep 2019
- Stable base fee supplemented by activity driven transaction fees

Fee Income<sup>1</sup> by Equity Sources (S\$' million)



Fee Income<sup>1</sup> by Quarter (S\$' million)



Note:  
 1. Includes fee based revenue earned from consolidated REITs before elimination at Group level  
 2. Includes contribution from ASB for the period from 1 Jul to 20 Sep 2019





# CapitaLand Investor Day 2019

Forum One - Is Retail Dead? Not at CapitaLand

# Disclaimer

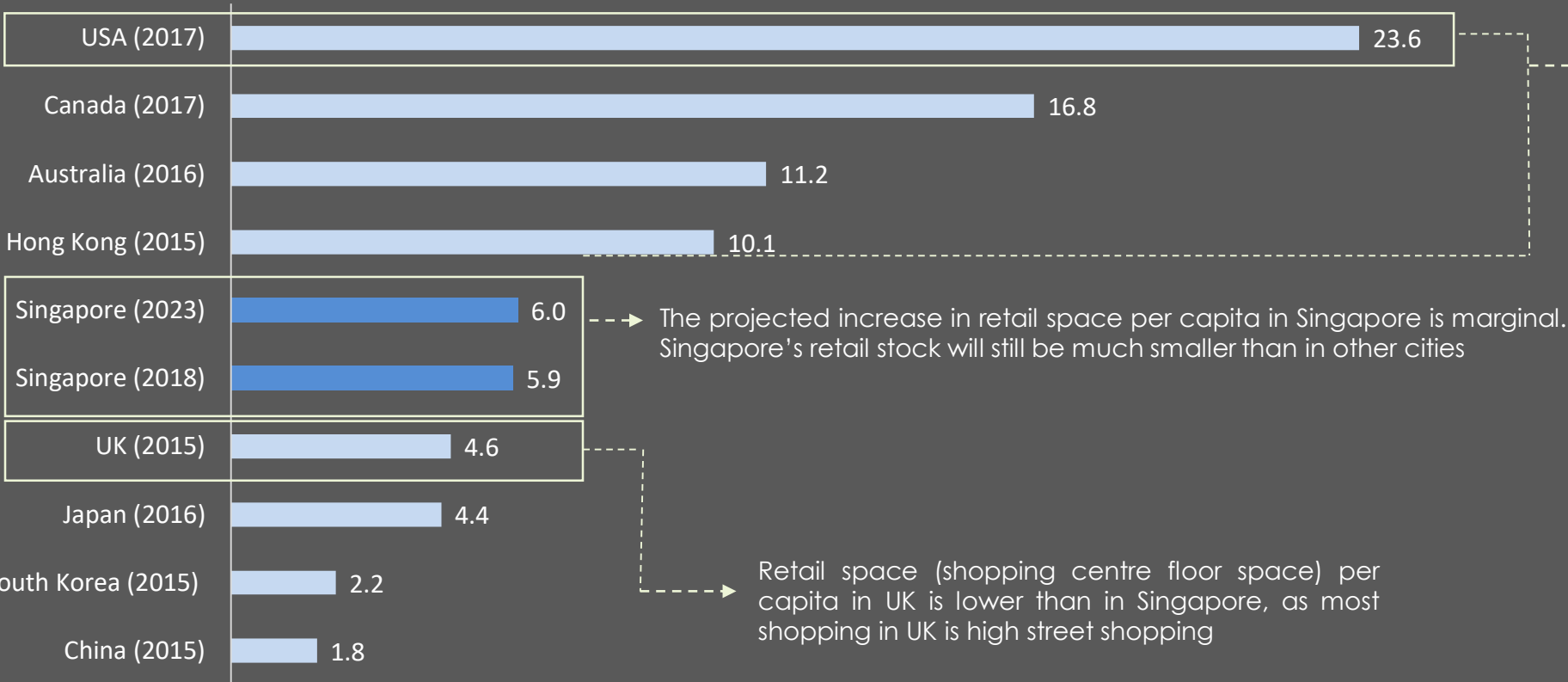


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# Retail Space per Capita in Singapore is Lower Than in Several Developed Markets

Shopping Centre Floor Space Per Capita

Singapore vs Various Countries, Based on Latest Available Data from ICSC (sq ft NLA)



Retail space per capita in USA is 4 times that of retail space per capita in Singapore. This suggests that retail space in USA is oversupplied and may explain the acceleration in store closures

The projected increase in retail space per capita in Singapore is marginal. Singapore's retail stock will still be much smaller than in other cities

Retail space (shopping centre floor space) per capita in UK is lower than in Singapore, as most shopping in UK is high street shopping

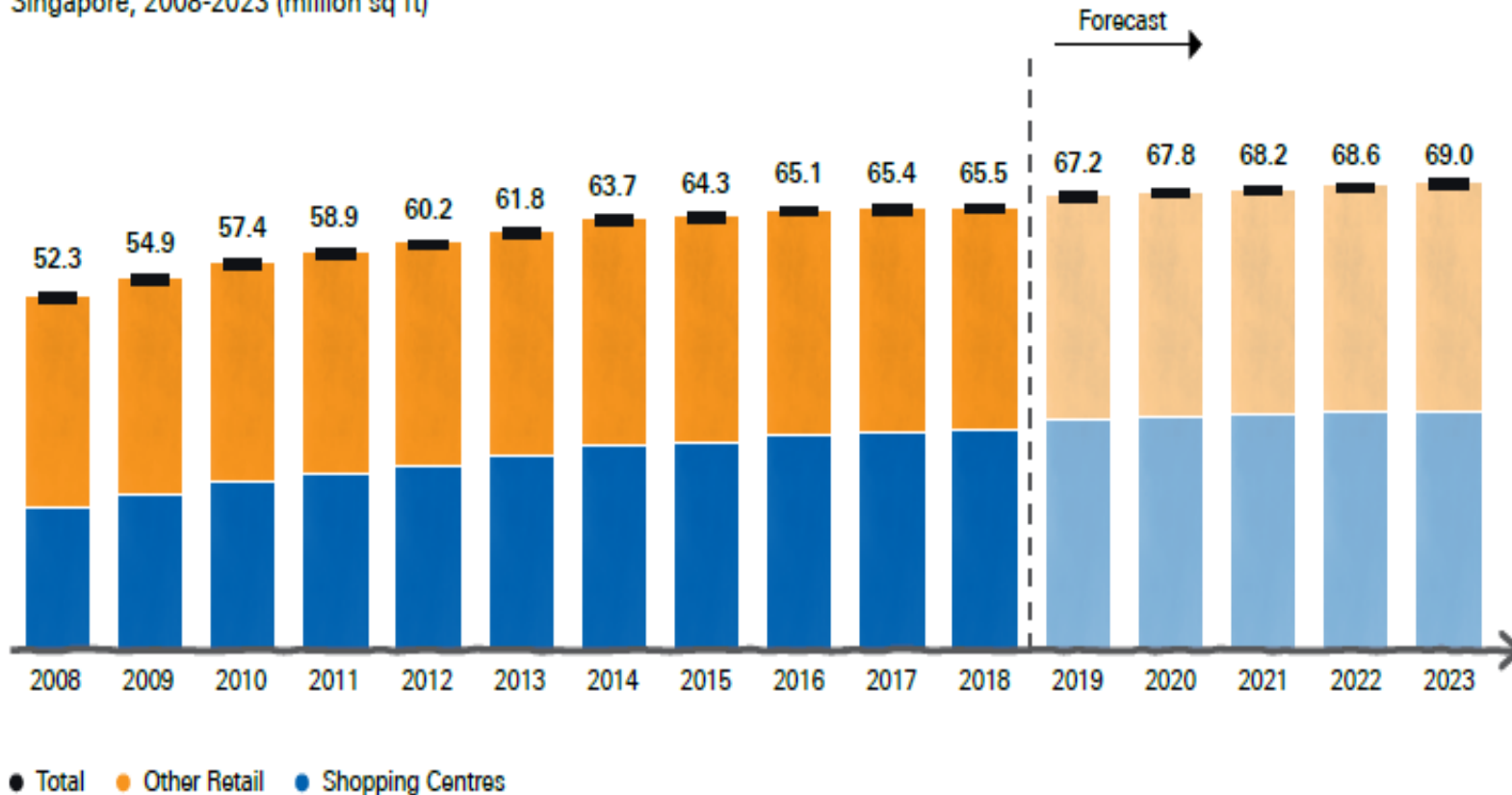
Source : International Council of Shopping Centres, Cistri



# Limited Retail Space Supply in 2020 and Beyond

## RETAIL FLOOR SPACE SUPPLY

Singapore, 2008-2023 (million sq ft)



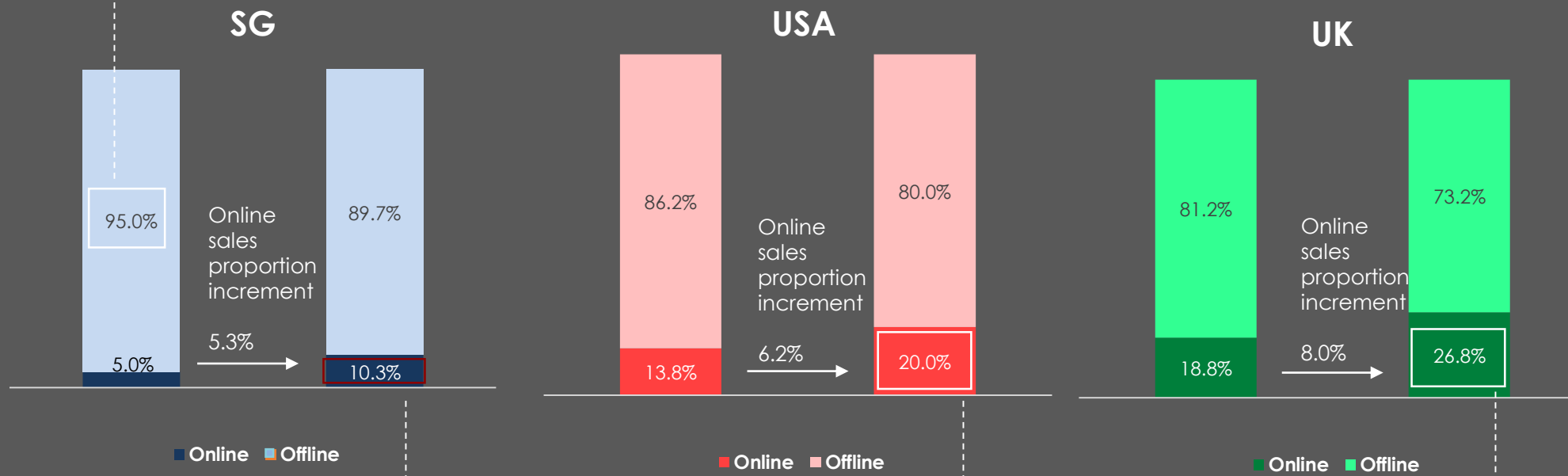
Source: URA, Developers' Announcements, Cistri

The Urban Redevelopment Authority of Singapore tightly regulates land supply and use. Retail supply is expected to slow down to an average growth rate of 1.1% over the next five years. This slowdown in supply is believed to have a stabilising effect on the market, which will safeguard against an oversupply of retail space



# Physical Retail Will Remain Highly Relevant

The majority of retail sales is transacted through physical space. Close to 90% of retail sales is projected to still be transacted through brick-and-mortar stores in 2022



The projected e-commerce penetration in Singapore is low compared to USA and UK, given Singapore's high population density and convenience provided by shopping malls



**Is Retail Dead?**





# A Case Study: Funan







# Retail Reimagined





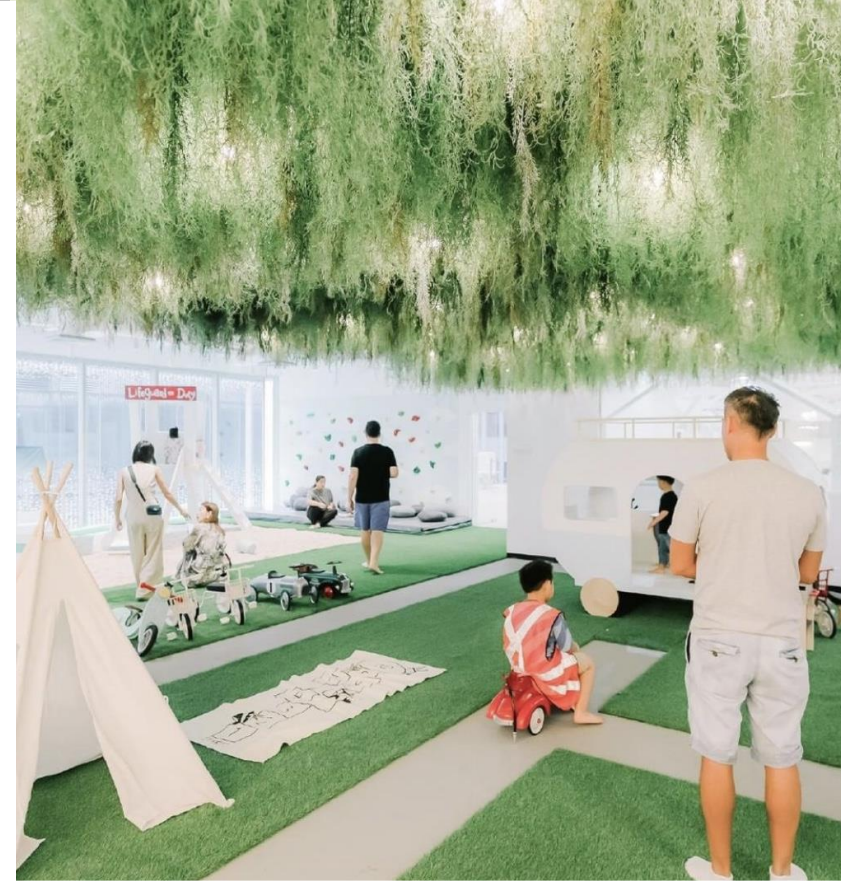
Where communities gather





Gaming harnessed as a tool to engage the young





Flexibility of space and integration of community





# Experiential Retail & Customization



# Differentiated & Impactful Events







Bugis+



Funan



JCube



Raffles City Singapore





# CapitaLand Investor Day 2019

Forum Two – Co-living, Real Estate's Next Big Thing





**hello,  
welcome to lyf.**

lyf

what is **lyf**?

a new co-living serviced

residence concept,

designed **by millennials for**

**millennials**. lyf fosters

communal living and social

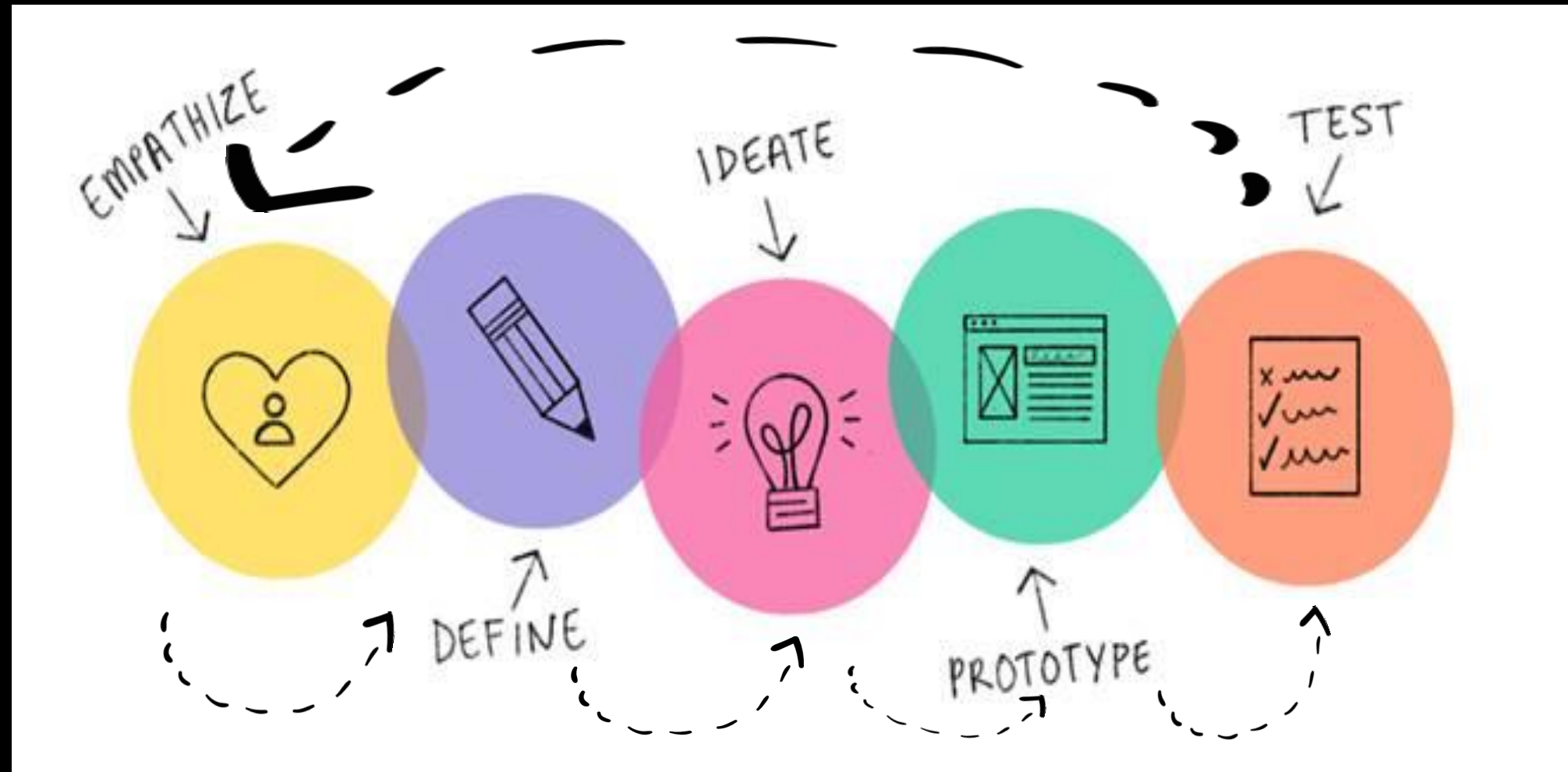
interaction for our guests.

# Alternative accommodation classes?

lyf

Just as challenging as it is for Airbnb to offer more hotel-like options, it seems in some ways even more daunting for hotel companies to start offering more Airbnb-like accommodations and create new products.

**How can hospitality companies reinvent, innovate and create new product lines to capture new market trends?**





4

**millennials:  
a large  
untapped  
global  
market**

*lyf*



# Huge millennial travel and accommodation market potential



by 2025, millennials will comprise **three-quarters** of the **global workforce**



evolution of global corporate assignments (away from long-term engagements) translates to more **short term assignments of <12 months**.  
**>1 bn digital nomads globally by 2035**



millennial travel spend is valued at **>US\$200bn annually**

# Define - the needs of working millennials



Long and short stay accommodation needs

## Convenience

- Difficulty committing to long term plans
- more **flexible lease terms**

## Opportunities for collaboration

- Seek the collaborative benefits of living in a **community**.



## Community building

- Seek spaces & opportunities to **bond with like-minded people**.

## Cost concerns

- **Affordability** is a key consideration



# What did we know about millennials?

lyf

## Millennial travel trends



“bleisure”

seek authentic, local experiences

digital nomads

meet people & learn new skills

“Generation Rent”

community & sharing

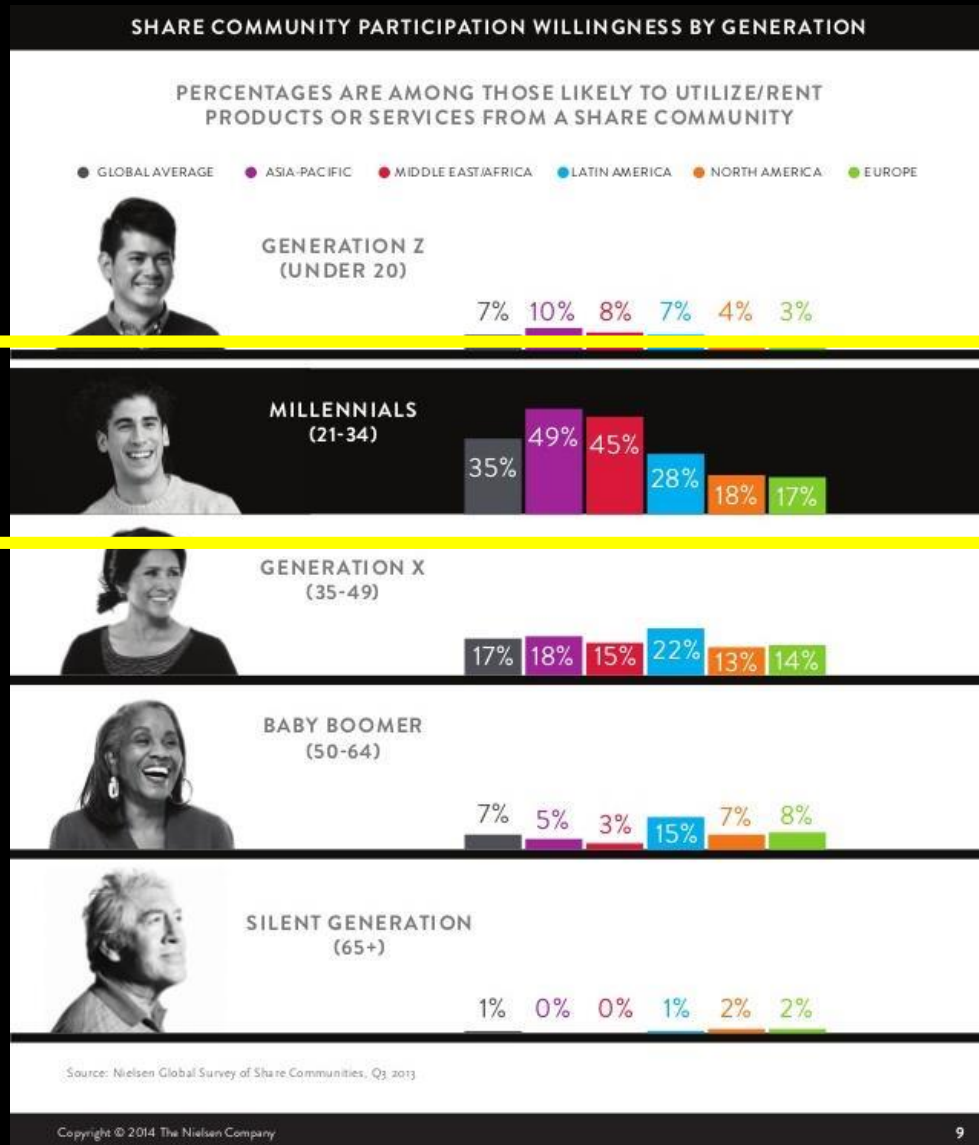
tech savvy & digitally connected



# Define - the needs of working millennials



## The rise of sharing economy



millennials prefer to **share** than to own assets

ownership is not a necessity anymore; for millennials, ownership can instead be an obstacle in care and maintenance

hence, co-living concept is gaining acceptance amongst millennials globally

**53.0% of millennials have used a sharing economy business in the last year, with accommodation (26.8%), proving particularly popular.**

Hammerson UK Consumer Research, Jan 2017

# What did we know about **millennials**?



**bleisure is a prominent trend amongst **business travelers**, especially millennials**

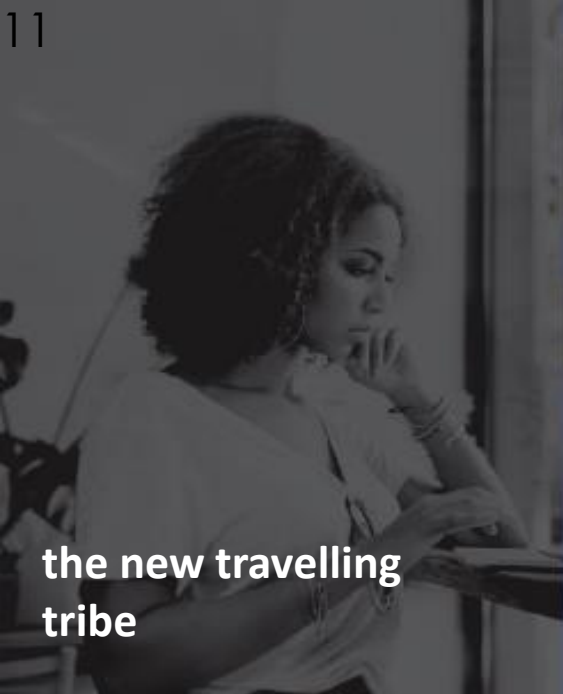
- 78% of millennials intentionally carved out personal time on a business trip
- Majority of “Bleisure” travellers are from Asia with **ALOS of 10 nights**
- “Bleisure” travellers place higher emphasis on safety, wifi, and **uniqueness of accommodation** than typical leisure travellers



lyf

**a new  
way to  
belong**





the new travelling  
tribe



technology  
driven/startups



social beings



socially  
responsible



crave  
information/  
reviews



bleisure



more  
spontaneous



professionals

fyf target audience



# Ideate – deconstruct the apartment

Self-contained apartment vs **self-contained building**

lyf

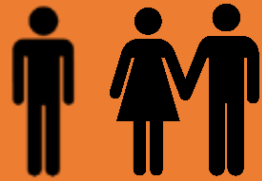




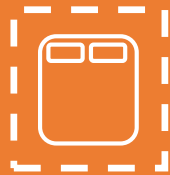
# Ideate – the rooms



lyf offers four main room types for different groups of people.  
they are customizable and functional



singles couples



queen room  
(one of a kind)



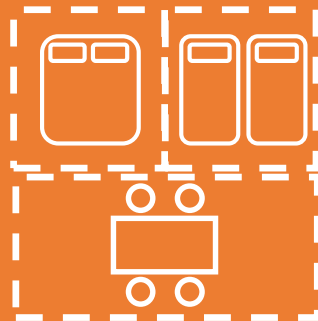
friends



bunk room  
(up & down)



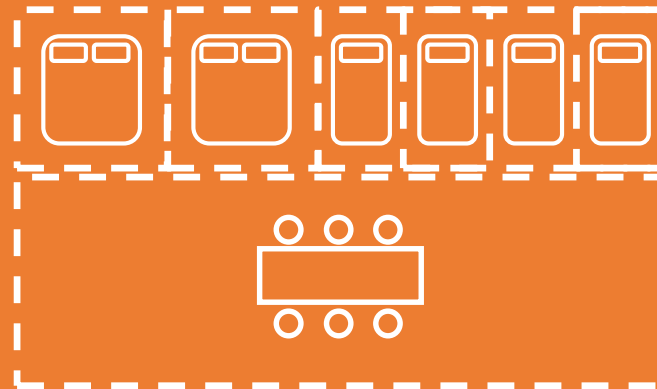
business partners



paired rooms  
(two of a kind)



project groups



apartment  
(all together)



fun people



thematic rooms  
(lyf style)

# Prototype & test – partnership with SMU

lyf

- **started feb 2017**  
*one-of-a kind living lab collaboration*
- **2.5 years coliving lab partnership**
  - 3,000 sqm facility
  - 24/7 – always open!
  - ~1,000 pax traffic daily
  - Social spaces testing
- **Hone placemaking capabilities**
  - Organized over 200 events
  - Over 70 partners



lyf x SMU

BY THE ASCOTT LIMITED



# the lyf community

lyf

HOW TO ADULT? x lyf

IN BED WITH: **LOCAL GO-GETTERS**

FROM OUR CREWMAKER GROUP

AMANDA AND STACIELA

ELIE CHEN SUNSHINE

MARK CHOO THE DOG ALchemist

22 February 2019 17:00PM - 8:00PM (1st Floor)  
RSVP at [bit.ly/localgogetters](http://bit.ly/localgogetters)

lyf x craft

Great Beer, Great Food, Great Music

**CRAFT SINGAPORE GIVEAWAY**

vidsee x lyf

**STORYTELLING THROUGH FOOD & MUSIC**  
Insights with local filmmakers

Want to know how food and music converge in mediums for storytelling? Get a sneak peek of Vidsee's latest Originals short films created by local filmmakers! We'll be featuring two series: 'Soul Food', which explores human relationships through food, and 'Dream Seekers', a youth and music drama about chasing our dreams. Get with the creators as they share their thought processes around building and realising their stories on film.

**RSVP for this free event**  
1 Dec, Sun, 5.30pm - 8.30pm  
Wt. CONNECT L4

*Soul Food*

*梦幻乐团*  
DREAM SEEKERS

bandwagon x lyf presents

Join Singapore's youngest rapper to top the local iTunes hip hop chart and rising multi-hyphenate for a night of great original music at lyf, Ascott's new coliving brand designed by millennials, for millennials.

**26 June**  
WEDNESDAY  
**7PM**

lyf@SMU  
71-77 Stamford Rd  
Singapore 178895

RSVP now at  
[bit.ly/BWPresentslyf](http://bit.ly/BWPresentslyf)

AXEL BRIZZ

IG: @BANDWAGONASIA  
FB: /BANDWAGONASIA  
WWW.BANDWAGON.ASIA

lyf WORKSHOP DAY

SHEETS OF PASSION 22.08.2019

TICKETS GIVEAWAY

In Bed with a Filmmaker:  
**Chai Yee Wei**

**MUSIC INDUSTRY TALK** bandwagon x lyf presents

Featuring Music Performance by HubbaBubbas

**lyf in Singapore's Music Industry - Behind the Scenes and How to Get in**

Moderators

				
<b>Clarence Chan</b> Founder Bandwagon	<b>Erina Cook</b> Assistant Lead Mediacorp Radio	<b>Andrea Khoo</b> Assistant Director National Arts Council	<b>Kevin Foo</b> Co-Founder Umami Records/ Foundation Music	<b>Stephanie Lim</b> Artist HubbaBubbas

1 August 2019  
7:30PM - 9:30PM  
SMU Labs 71 Stamford Road

Register here:  
[bit.ly/BWxlyfIndustryTalk](http://bit.ly/BWxlyfIndustryTalk)



# Implement – lyf, a coliving product

lyf

private apartments



social spaces



community

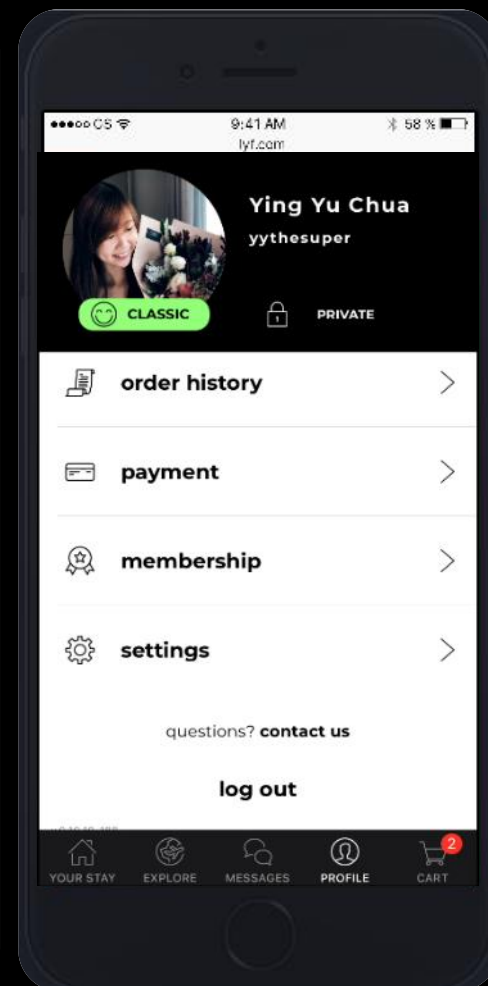
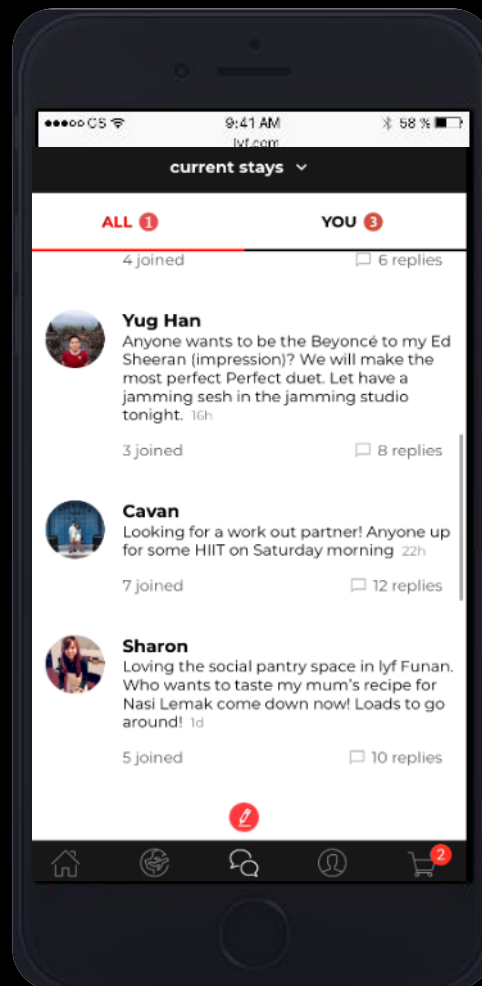
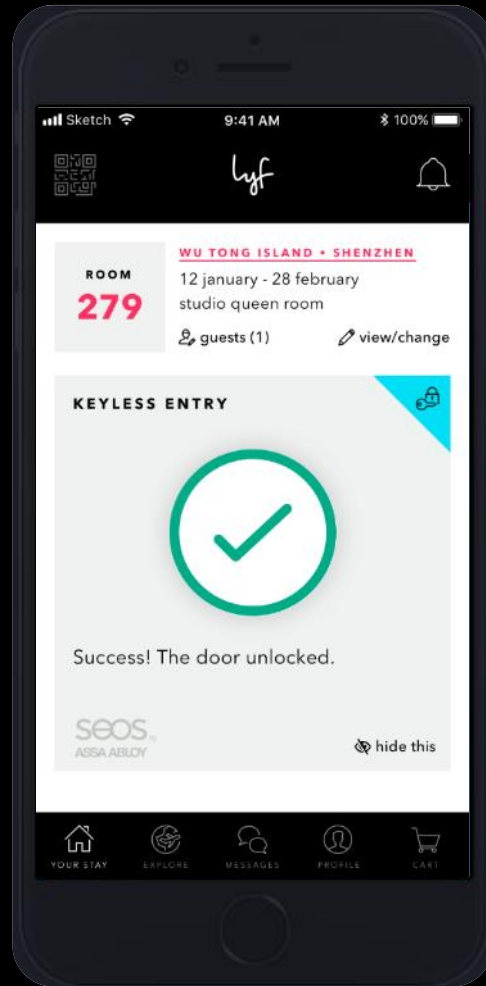


# Implement – Technology in lyf

# lyf, a coliving product



room booking, events notification, mobile key, message board, payments, profile & membership management



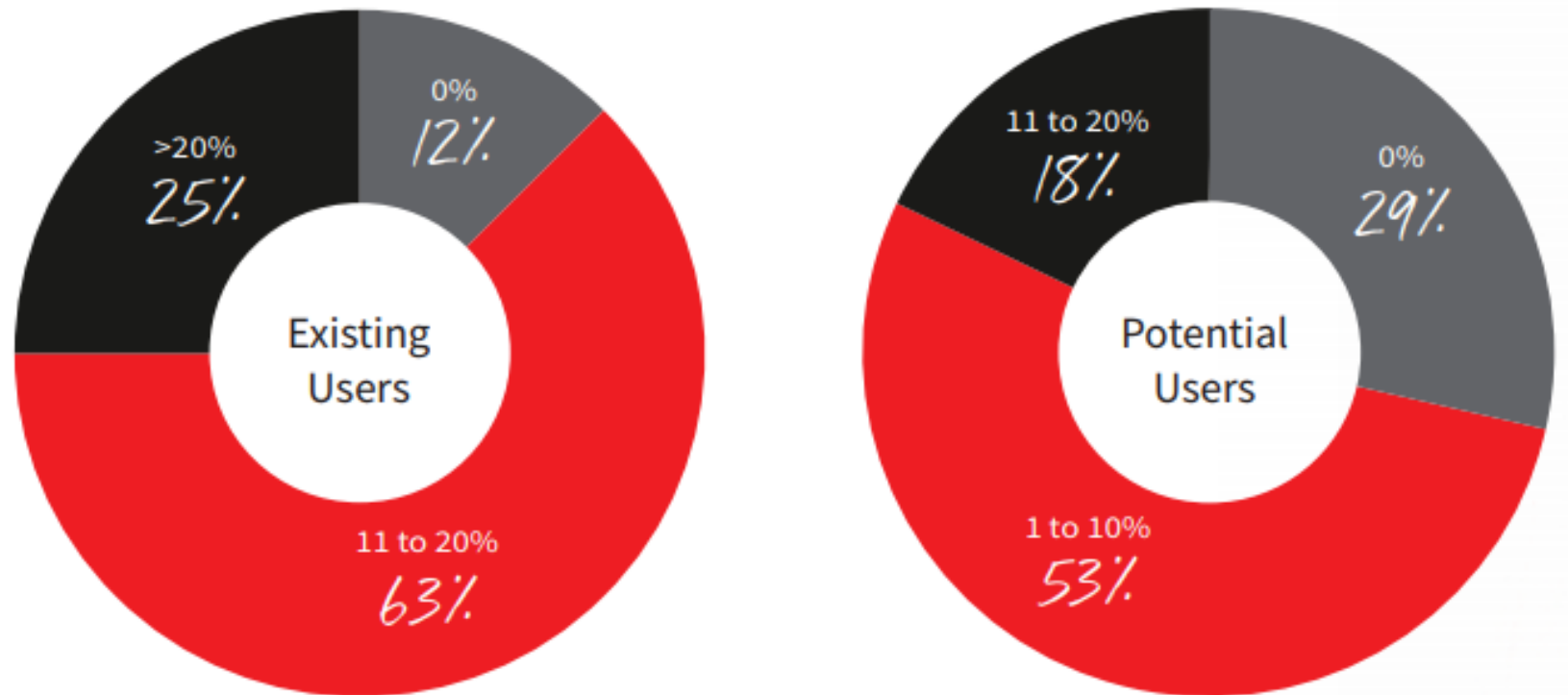
# Alternative accommodation classes?



Rising acceptance and demand for coliving across markets

- Potential coliving users are willing to pay up to 10% more to stay in a coliving facility
- For existing users, a majority are even willing to pay 11% - 20% more to stay in a coliving facility.

Figure 6: Breakdown of Premium Users are Willing to Pay







lyf

# lyf Funan Singapore

With **412 rooms in 329 apartments** and **5 different apartment types** operational since **1 September 2019**, lyf Funan Singapore forms an integral part of Funan – an integrated development that also comprises a retail mall and two office towers.



# lyf Funan Singapore





# Reviews for lyf Funan Singapore



*"There's a nice balance between your own space and common areas where you can interact with other guests. We're all designed to want to be around people to a certain degree so the human connection you get in coliving is great."* - Luke, 40 year-old long stay guest, quoted in The Straits Times

## Tripadvisor.com

 **Sandy** wrote a review 3 Oct  
1 contribution






**So pretty**




"The room was pretty cozy for 2. USB charging ports were very convenient. Using the phone as a key card was interesting, got the hang of it after a couple of times. Close to MRT and fort canning park and other places. Also has some pretty fun shared places. Had a very pleasant stay."

Read less ▲

**Date of stay:** October 2019


 Location  Service  
 Sleep Quality

## Booking.com

 **Emmy**  
 Australia 

Reviewed: 1 October 2019

**Fantastic, will book again**

 · I liked everything, the room was small but not cramped, they used the space so well and the bed was unbelievably comfortable, especially after an 11hr flight. We didn't check in until 4:00am as we had a late flight coming in but the staff gave us a 2pm check out free of charge which allowed us to get a proper amount of sleep.

# lyf Funan Singapore





lyf fukuoka  
japan

lyf hongqiao  
shanghai

lyf sukhumvit 8  
bangkok

lyf raja chulan  
kuala lumpur

lyf cebu city

lyf funan  
lyf one-north  
lyf farrer park

# upcoming markets

lyf

the future is about  
connectedness.  
community.  
conversation.  
coworking.  
coliving.

# lyf

BY THE ASCOTT LIMITED



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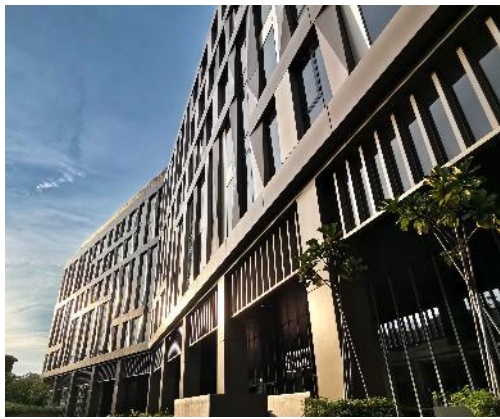
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# Thank you

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