



# CapitaLand Analysts/Media Trip 2016

## CapitaLand Mall Asia Limited

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# Disclaimer

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# Content

- Overview of CMA's Business
- Outlook of China Market
- Retail Trends of China
- Our Strategic Thrusts



# Overview of CMA's Business



Suzhou Centre Mall, Suzhou, China





# Pan-Asia Retail Platform

Asia's leading mall developer, owner and manager

103 malls

52 cities

5 countries

99.0<sup>1</sup> million sq ft Total GFA

\$41.3 billion Total property value

>4,000 staff

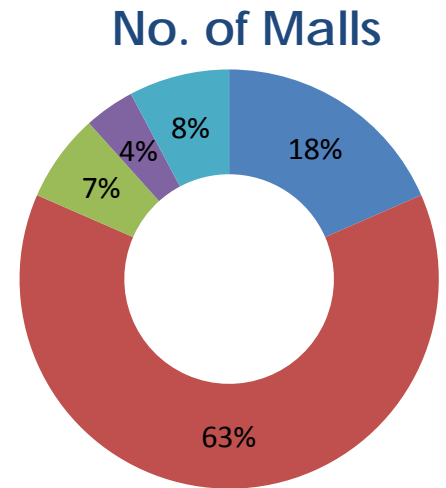
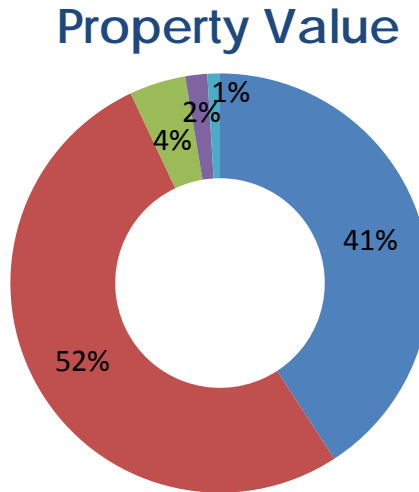
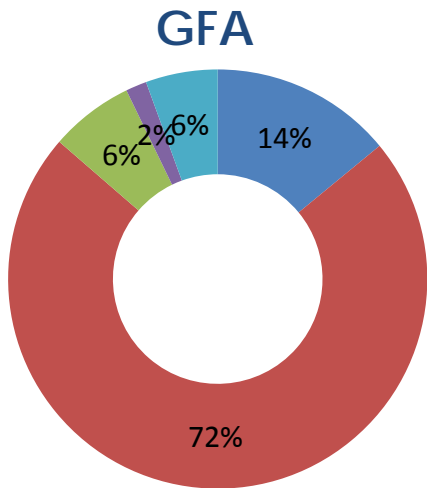


1. As at 30 September 2016. For projects under development, GFA is estimated.



# Core Markets: Singapore & China 93% by value

As at 30 Sep 2016	Singapore	China	Malaysia	Japan	India	Total
GFA (mil. sq ft)	13.9	71.6	6.4	1.6	5.5	99.0
Property Value (\$\$ bil.)	16.9	21.6	1.8	0.6	0.4	41.3
Number of Malls	19	65	7	4	8	103



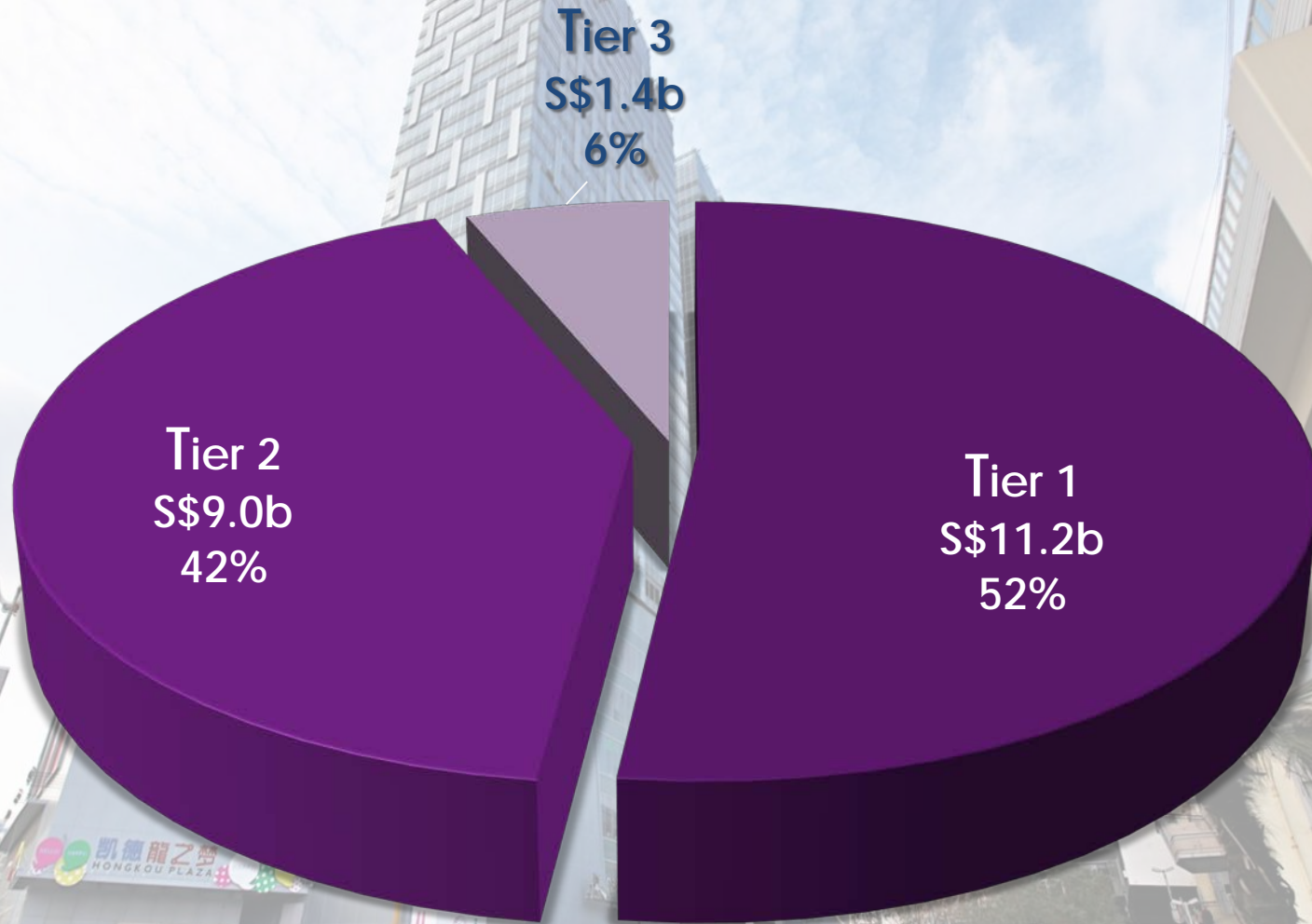
■ Singapore ■ China ■ Malaysia ■ Japan ■ India

Note:

- (1) The above figures include projects owned/ managed by CMA as at 30 Sep 2016 except for Property Value which includes only those projects that CMA owns.
- (2) The number of malls has increased from 102 (30 June 2016) to 103 (30 Sep 2016) due to the inclusion of Galleria, Chengdu and Fortune Finance Centre, Chandasha and the exclusion of Izumiya Hirakata, Osaka which was divested in 3Q 2016. The GFA and property value have also been revised accordingly.



# China: Tier 1 & Tier 2 City Assets 94% by value

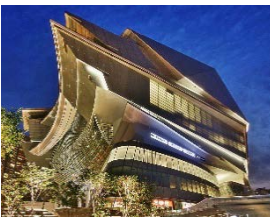
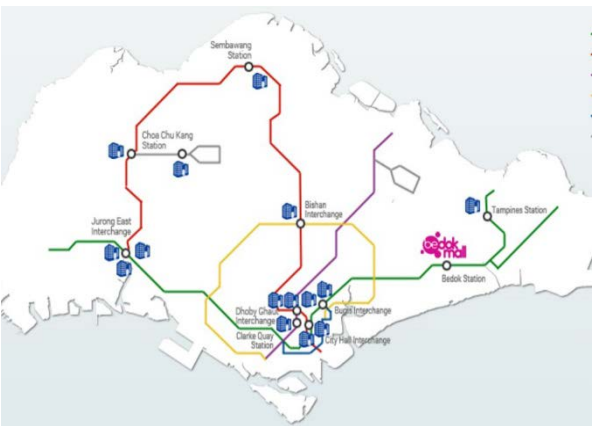


Hongkou Plaza, Shanghai, China



# Dominance in Singapore

Largest retail owner operator in Singapore with  
19 retail properties  
Total GFA of 13.9 million sq ft





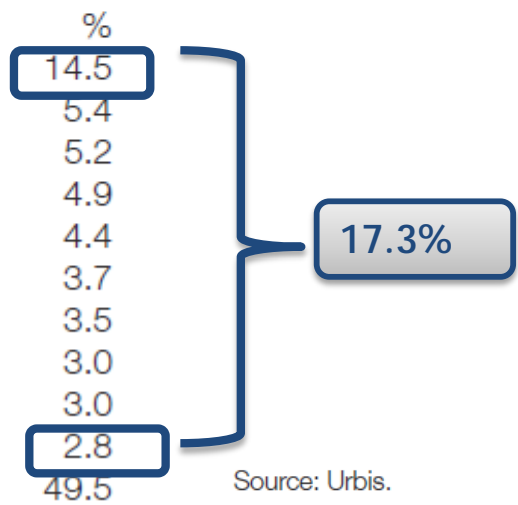
# Dominance in Singapore

Share of Major Shopping Malls Floor Space by Owner<sup>1</sup>



- CapitaLand Mall Trust
- Pramerica
- Lend Lease
- Frasers Centrepoint
- Mapletree
- NTUC
- Far East Organisation
- Singapore Land
- Suntec REIT
- CapitaLand<sup>2</sup>
- Others

CL is the market leader  
 Owing a fifth of the major shopping spaces in Singapore



Source: Urbis.

<sup>1</sup> Malls greater than 100,000 sq ft NLA as at end-2015. Share of floor space takes into account ownership stake.  
<sup>2</sup> CapitaLand's share only accounts for malls directly owned by CapitaLand and does not include those owned through CMT.

# i > 20 Years in China

## Landmark developments in the key cities



CapitaMall Xizhimen, Beijing



Raffles City Shanghai



CapitaMall SKY+, Guangzhou



CapitaMall Xindicheng, Xi'an



CapitaMall Wusheng, Wuhan



CapitaMall Xinduxin, Qingdao





# Dominance in China



65 assets with property value of \$21.6 billion and GFA of 71.6 million square feet



 Deepening our presence in core gateway cities –  
Beijing, Shanghai, Chengdu, Chongqing & Wuhan





# Same-Mall NPI Growth (100% basis)

Country	Local Currency (mil)	YTD Sep 2016	YTD Sep 2015	Change (%)
Singapore <sup>1</sup>	SGD	682	668	+2.2%
China <sup>2,3</sup>	RMB	2,732	2,596	+5.2%
Malaysia	MYR	210	206	+1.9%
Japan <sup>4</sup>	JPY	1,999	1,883	+6.1%
India	INR	780	665	+17.3%



Note: The above figures are on a 100% basis, with the NPI of each mall taken in its entirety regardless of effective interest. This analysis compares the performance of the same set of property components opened/acquired prior to 1 Jan 2015

- (1) Excludes Funan which has closed in 2H 2016 for redevelopment
- (2) China's same-mall NPI growth for YTD Sep 2016 would have been at 6.0% if not for higher property tax due to change in basis of assessment in Beijing which took effect from 1 July 2016
- (3) Excludes CapitaMall Shawan (under AEI in 2015), and CapitaMallKunshan
- (4) Excludes Izumiya Hirakata which was divested in Sep 2016





# Our Operating Performance

## Steady Performance in YTD Sep 2016

Portfolio <sup>1</sup> (YTD Sep 2016 vs YTD Sep 2015)	Singapore	China
Tenants' sales growth	+2.7%	+9.1%

Same-mall <sup>2</sup>	YTD Sep 2016		YTD Sep 2016 vs YTD Sep 2015	
	NPI Yield on Valuation <sup>3</sup>	Committed Occupancy Rate <sup>4</sup>	Shopper Traffic Growth	Tenants' Sales Growth (per sq ft/m)
Singapore	5.8%	97.9%	+2.4%	+1.4%
China	5.5%	94.1%	+1.2%	+2.6%
Malaysia	6.5%	97.2%	+3.4%	-
Japan	4.8%	97.3%	(1.8%)	+7.1%
India	6.2%	90.9%	+13.5%	+20.0%

Note:

(1) Portfolio includes malls that are operational as at 30 Sep 2016

(2) This analysis compares the performance of the same set of property components opened/acquired prior to 1 Jan 2015

(3) Annualised NPI yields based on valuations as at 30 Sep 2016

(4) Committed occupancy rates as at 30 Sep 2016

# Outlook of China Market



# Strong Fundamentals in China

Q3 YTD 2016 China GDP expanded 6.7% y-o-y, slower but stable economic growth

Q3 YTD 2016 urban disposable income and expenditure increased 5.7% and 5.3% y-o-y respectively.

Oct YTD 2016 retail sales growth at a steady 10.3% y-o-y.



# Urbanization as a Key Driver for the Retail Market

Urbanization Rate: 56%

Forecast to reach 60% by 2020

+ 20 mil urban population every year

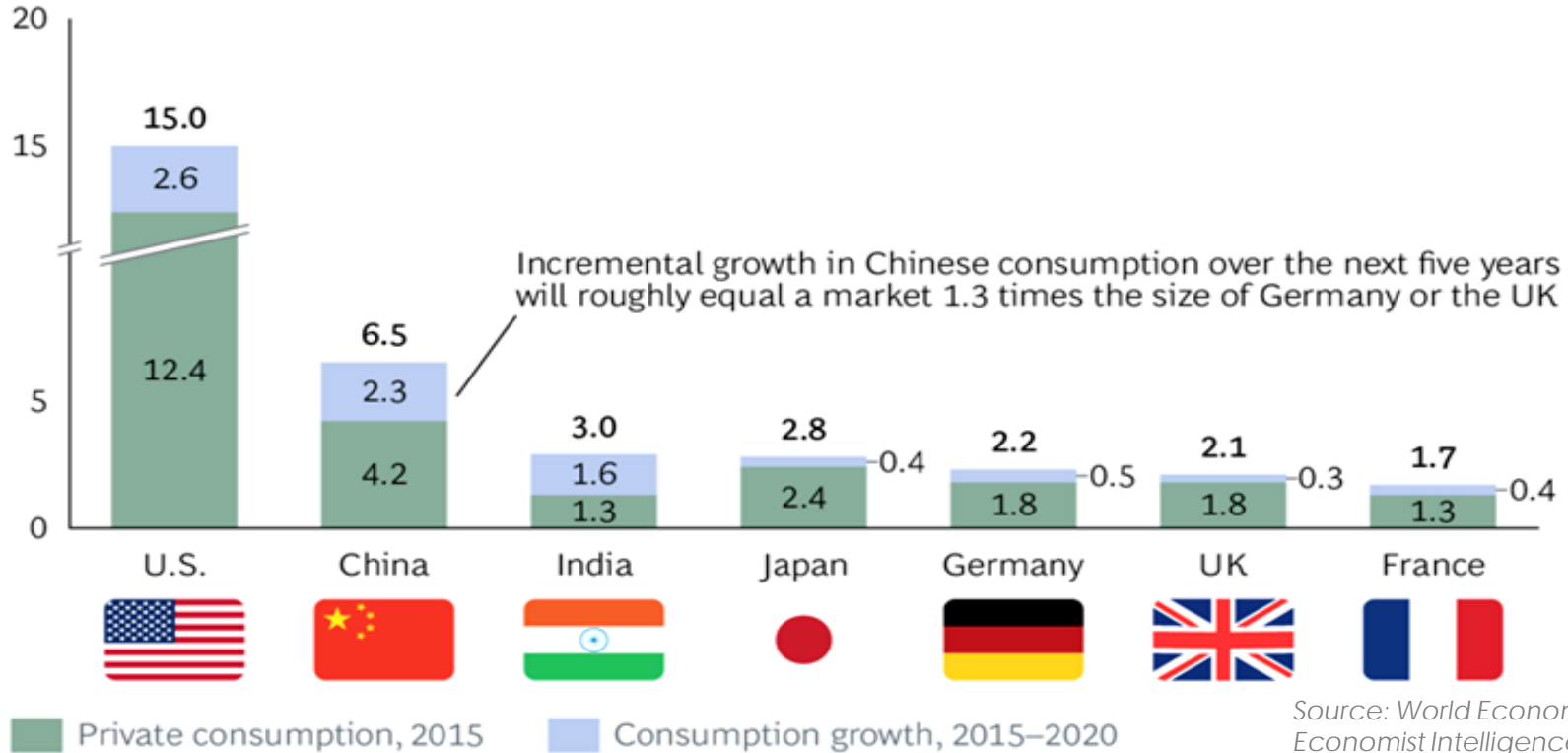
2.4 X Switzerland's population every year





# By 2020, Chinese consumption would have grown by US\$2.3 Trillion – even if GDP growth slows to 5.5%

Nominal private consumption, 2020 (\$trillions)



Source: World Economic Forum, Economist Intelligence Unit, Boston Consulting Group

- Projected growth in consumption for China exceeding those of developed markets.
- Growing income and expanding middle-class are the likely factors that will fuel the retail growth in China.





# Retail Trends of China: Is e-Commerce a Threat?

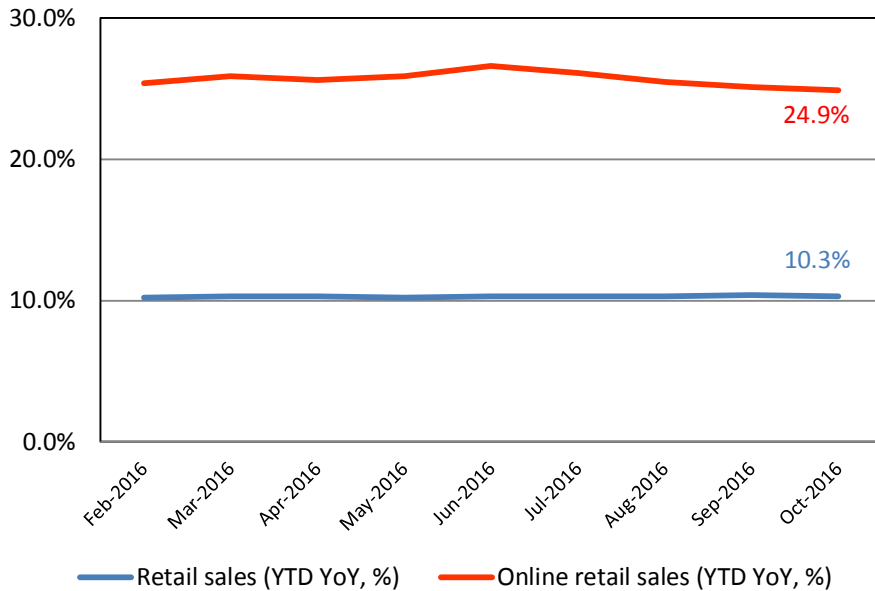


# China's offline retail sales to remain dominant at 78%

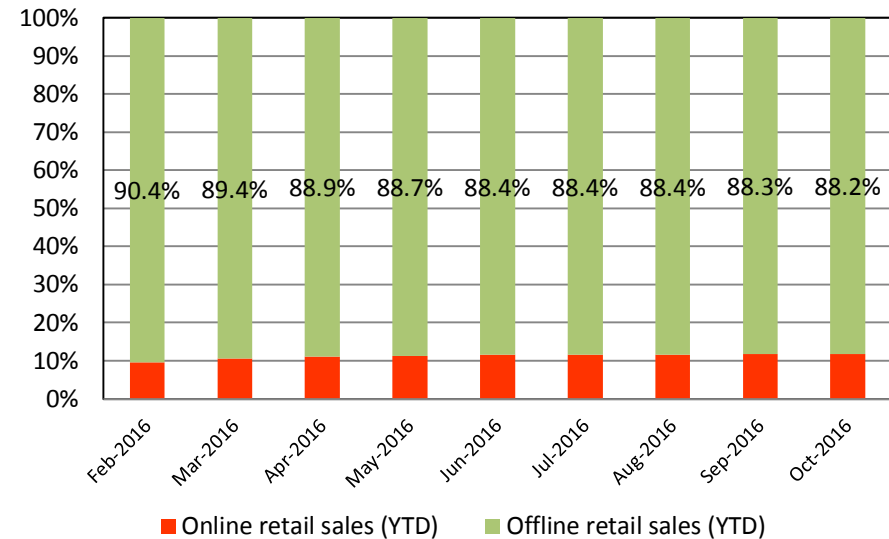
Online retail sales growth has slowed from >70% to ~24.9% currently

Offline retail sales at 88.2% currently, expected to remain dominant at 78% by 2020<sup>1</sup>

**China: Retail Sales of Consumer Goods (Total Retail & Online Retail Growth)**



**China: Retail Sales of Consumer Goods (Online & Offline Volume)**



Source: National Bureau of Statistics, China



<sup>1</sup> Source: Bain & Co.



# Pure E-commerce? O+O Omnichannel Strategy

## theguardian

### The future of e-commerce: bricks and mortar

Amazon leads the way into the real world as online real estate - once heralded as the next frontier for retail - becomes crowded and expensive



that online retailers

### Alibaba wants its US\$18b Singles' Day to be more, mean less



Alibaba Group Holding Ltd reported a whopping US\$17.8 billion of sales during its online shopping bonanza Singles' Day. But it doesn't want you to focus on that number. PHOTO: BLOOMBERG

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NOV 14, 2016 6:11 AM

从今年的双11数据，我看到了实体商业的未来...

2016-11-12 地产与商业



来源：赢商网 ID:winshang 部分资料来源：南方都市报、TechWeb、环球设计、亿邦动力网

一年一度的剁手节又来了，不知不觉，这已经双11购物节第八个年头。去年天猫双十一以912.17亿元交易额拉下帷幕，而今年，最终，双11全天的交易额冲到了1207亿！无线交易额占比81.87%，还覆盖235个国家和地区。



#### THE STRAITS TIMES

### China's online retailers move into real world

PUBLISHED JUL 18, 2016, 5:00 AM SGT

Boom in O2O market as e-players seek new areas of growth

Ms Sara Xue is a fan of a new supermarket in the eastern city fringe of Shanghai, in the Pudong district.

The 28-year-old instructor at a beauty clinic is attracted to the modern layout and finds it simple and convenient to pay for her purchases via her mobile phone.

Located in the basement of Jinqiao shopping mall, the six-month-old supermarket looks just like any other supermarket in the bustling commercial centre - except for one unique feature: All shoppers have to pay using Alipay. Alipay is the mobile online payment platform of China's e-commerce giant, Alibaba.

Chinese media has reported that an injection of US\$1.5 billion (\$52 billion) in funds that the supermarket - He Ma Xian Sheng - received in March was linked to Alibaba.

The company, however, has not confirmed the investment.

The supermarket, which brands itself as an "experience" store exclusively for Alipay users, is a new player in China's fast-growing "online-to-offline", or O2O, market.

Taken broadly, O2O commerce is a business strategy that drives potential customers from online channels to the physical store. Examples include food delivery apps and ride-hailing apps which link customers with offline merchants.

Like many other major players in the online retail sector, Alibaba has stepped up its offline presence in search of new areas of growth in the recent two to three years.

Alibaba has in recent years invested in Koubei, a daily deals app; Didi Chuxing, a ride-hailing app; and Ele.me, a food delivery app.

# Online to Offline Shops



初語  
TO/YOUTH

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全球购·保税店  
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FOR HOLIDAY

THE FUTURE OF POSSIBLE

CapitaLand



# Retail brands expanding physical stores in China

Retail Brand	Current no. of outlets in China	Expansion Plans in China
	485	<ul style="list-style-type: none"> <li>Open 100 stores annually until 1,000 stores</li> <li>Subsequently aim for 3,000 stores</li> </ul>
	400	<ul style="list-style-type: none"> <li>Plan a net addition of around 425 new stores, with most of the expansion in China and the US</li> </ul>
	≥ 8,500	<ul style="list-style-type: none"> <li>Aimed at propelling Adidas to become the 'best sports brand' in Greater China by 2020</li> </ul>
	160	<ul style="list-style-type: none"> <li>Expand to a total of 200</li> </ul>
	≥ 2,100	<ul style="list-style-type: none"> <li>Operate 5,000 stores by 2021</li> </ul>
	2,200	<ul style="list-style-type: none"> <li>Open 4,000 stores by 2020</li> </ul>
	≥ 100	<ul style="list-style-type: none"> <li>To continue to grow internationally, particularly those in the emerging economies which are seeing overall GDP growth and rising incomes</li> </ul>

Source: Annual Reports and Company Websites



# Our Strategic Thrusts



Luone, Shanghai, China





# Our Strategic Thrusts



Optimise portfolio mix



Extend our retail network



Focus on Execution



# Core Cities, Dominant Malls Strategy



Focus on **Dominant Projects** in **Core Cities** for **Resilience and Sustainable Growth** and to deepen presence in these key cities



# Growing Retail Network



Management  
Contracts

Cultivating international & homegrown brands



Acquisition of quality assets



Galleria, Chengdu, China



# Leading Network of >15,000 Leases across Asia





# Enlarging Mall Network Through Third-party Management Contracts

- Manage 7-storey Retail Component Of Landmark Integrated Development In Changsha, China
- Services include Asset Planning, Pre -opening & Retail Management
- Currently Under Construction, Mall To Open In End 2018



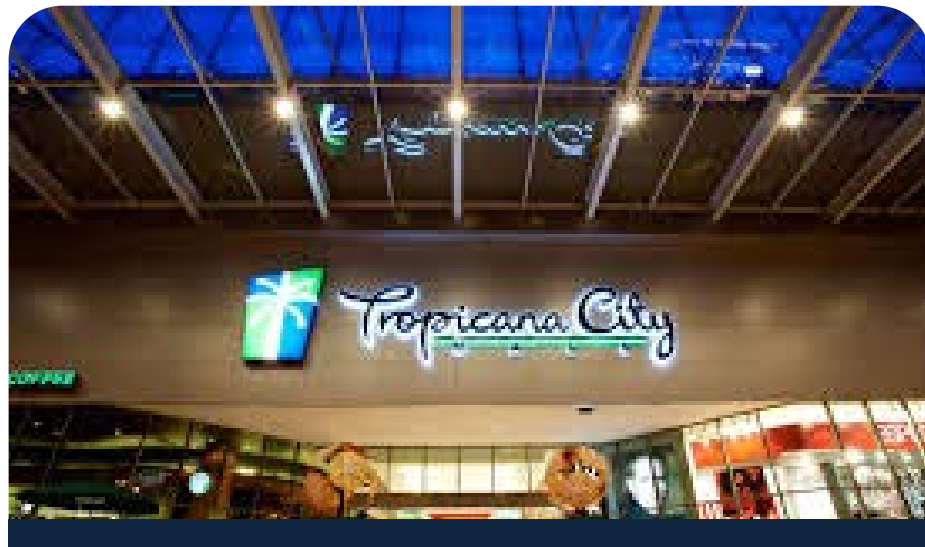
An Artist's Impression Of The Retail Component Of Fortune Finance Center in Changsha, China



# Extending network through acquisition of quality operational assets



Acquisition of Galleria, Chengdu, China



Acquisition of Tropicana City, Petaling Jaya Malaysia



Acquisition of Vivit Minami Funabashi, Tokyo, Japan



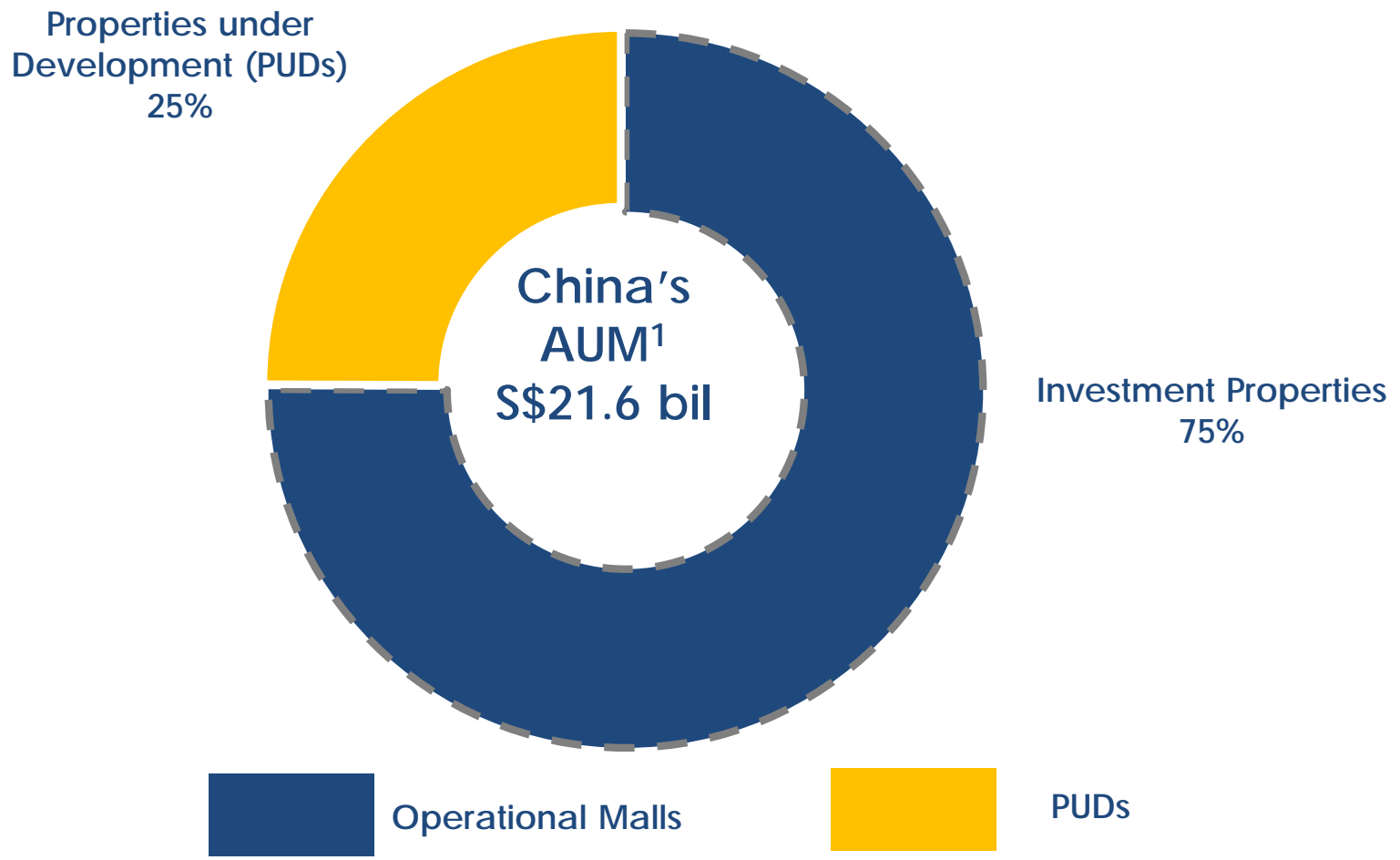
# Focus on Execution



Luone, Shanghai, China



# 25% of CMA China malls are PUDs



Note:  
(1) AUM as at 30 Sep 2016



# Pipeline Of Malls Opening

Country	No. of Properties As Of 30 Sep 2016				
	Opened	Target to be opened in 4Q 2016	Target to be opened in 2017	Target to be opened in 2018 & beyond	Total
Singapore	17	-	-	2	19
China	56	-	6	3	65
Malaysia	6	-	1	-	7
Japan <sup>1</sup>	4	-	-	-	4
India <sup>2</sup>	4	-	1	3	8
<b>Total</b>	<b>87</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>103</b>

Note: The above opening targets relate to the retail components of the developments

(1) In 3Q 2016, CMA divested Izumiya Hirakata for JPY6billion (~S\$78m)

(2) The Forum, Mysore originally planned to open in 2016 is now scheduled to open in 2017



# Conclusion

- CMA: Pan -Asia Retail Platform
- Dominance in our key markets Singapore and China
- Stable Operating Performance
- China: Strong Fundamentals and Outlook
- Offline retail sales remain dominant – Retailers' O+O Omnichannel Strategy
- Moving Forward: 3 Strategic Thrusts



# CapitaMall SKY+, Guangzhou







# CapitaMall SKY+ Factsheet

## 凯德广场·云尚



Location	Yuncheng West Road, Baiyun New Town, Guangzhou 广州市白云区云城西路890号, 广州 510000, 中国
Subway Accessibility	Connected to Metro Line 2 (Baiyun Park Station 地铁2号线白云公园站) interchange for future Metro Line 12
Opening Date	31 <sup>st</sup> Dec 2015
Retail GRA	87,404 m <sup>2</sup>
Floor Plan	B2 – L6
Acquisition Time	Nov. 2013
Committed Occupancy(%)	93% ( as of 31/10/16, including anchor )
Key Tenants	Broadway Cinema, TASTE supermarket Grandma's, Ease Chinese Cuisine, 探鱼, 同仁四季, 宴荟, 西贝莜面, Starbucks, Costa, MyGym, GYMBOREE, The Little Gym, KidsLand SISYPHE Bookstore Café, Toys R Us UNIQLO, GANT, NEW LOOK, UR, Initial, WHO.A.U







Thank You