



CapitaLand Limited

Portfolio Reconstitution Of Retail Assets In China

5 January 2018



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

- **Recap Of CapitaLand's Mall Strategy**
- **Transaction Details**
- **Conclusion**
- **Appendix**



Overview Of CapitaLand's Mall Strategy

- 1 Active reconstitution efforts to optimise portfolio
- 2 Focus on dominant malls in core city clusters
- 3 Grow strong recurring income combining quality owned assets and third-party management contracts
- 4 Transforming mall portfolio into “The Future of Retail”



1 Optimising Portfolio With Active Acquisitions & Divestments

Acquisitions (~S\$1.8 billion)

2015	2016	2017
 <p>Tropicana City, Malaysia</p>	 <p>CapitaMall Xinnan Chengdu, China</p>	 <p>Rock Square, Guangzhou, China</p>
 <p>Vivit Minami Funabashi, Japan</p>		 <p>Mixed Portfolio of Office & Retail, Greater Tokyo, Japan</p>

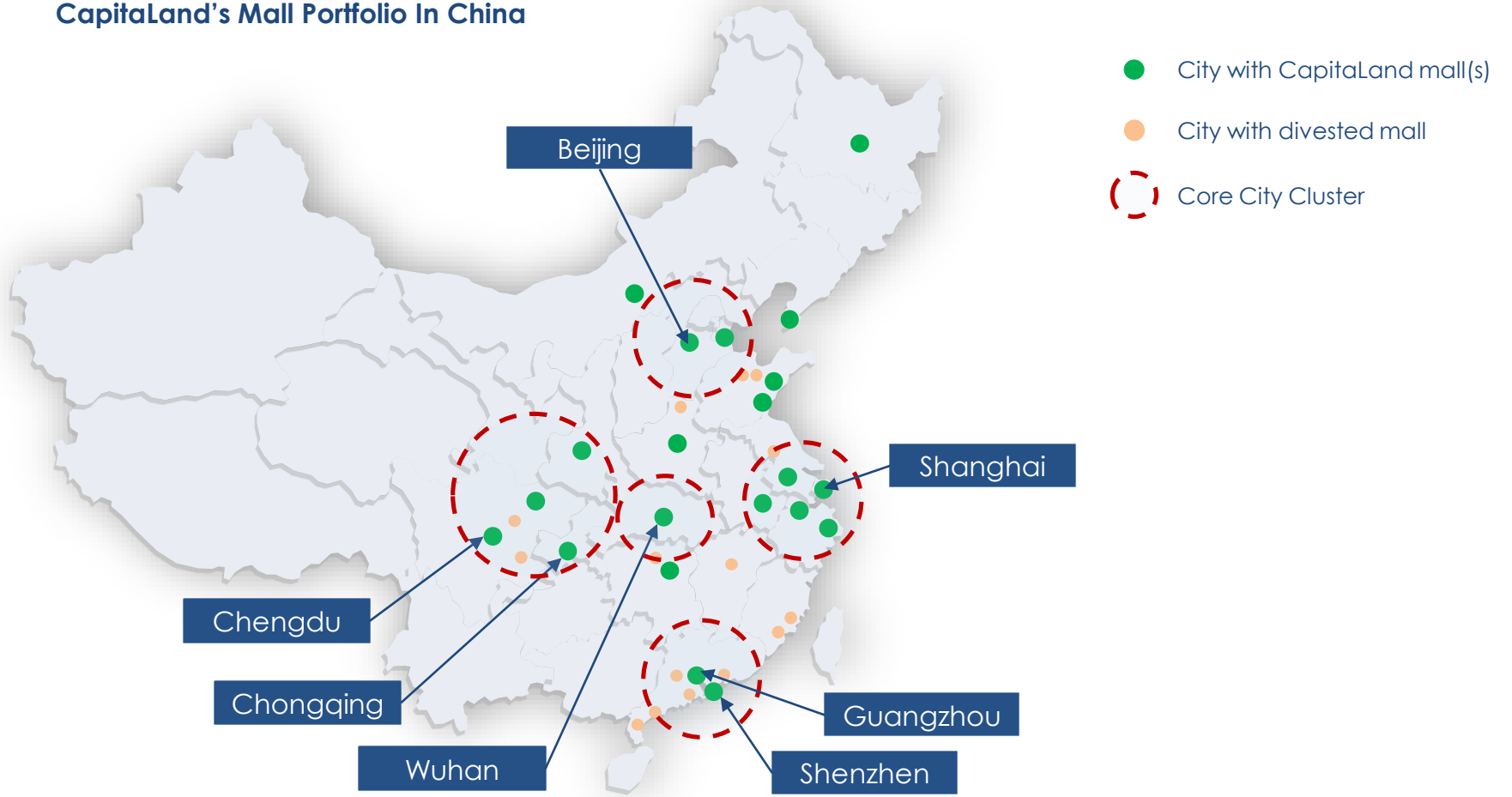
Divestments (~S\$2.9 billion sales proceeds)

2015	2016	2017	2018
 <p>Chitose, Japan</p>	 <p>CapitaMall Hongqi, China</p>	 <p>CapitaMall Anzhen, China</p>	<p>20 Retail Assets In This Transaction</p>
 <p>Rivervale Mall, S'pore</p>	 <p>Mall in Graphite, India</p>	<p>Also:</p> <ul style="list-style-type: none"> • CapitaMall Kushan, China • 6 Retail Assets in India 	
 <p>Bedok Mall, S'pore</p>	 <p>Izumiya Hirakata, Japan</p>		



2 Focus On Dominant Malls In Core City Clusters

CapitaLand's Mall Portfolio In China



Note: CapitaLand's mall network also includes managed properties in Shanghai, Changsha, Chengdu, Xi'an and Foshan.



3 Grow Quality Assets In Mall Portfolio

- Acquired Rock Square In Guangzhou And CapitaMall Xinnan in Chengdu
- Also Opened 8 Malls With High Committed Occupancy



Strengthening Recurring Operating Income Stream



3 Expand Mall Network Through Management Contracts

Signed Seven Contracts (~340,000 sqm GFA): Six In China, One In Singapore

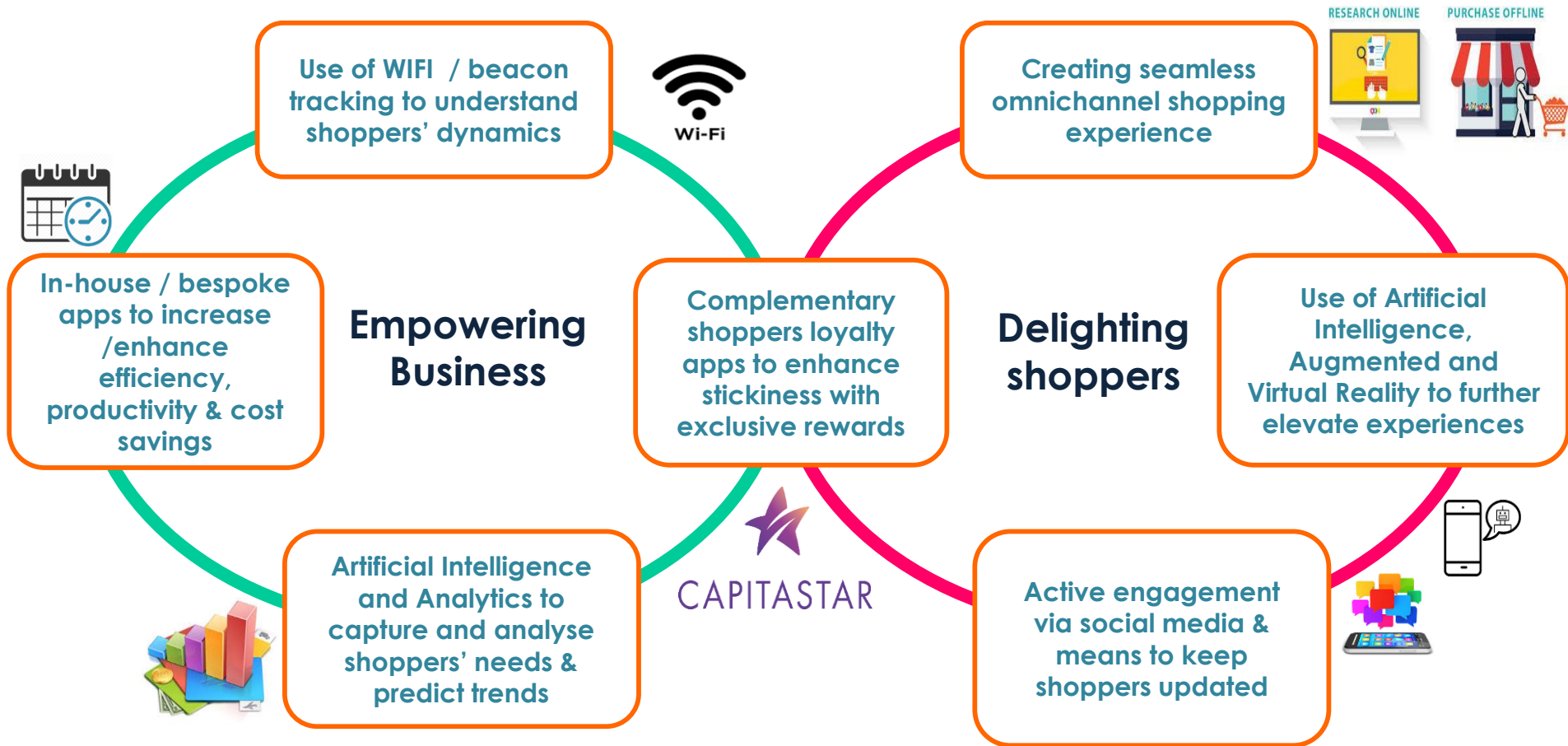


Building Fee Revenue Base In An Asset Efficient Way



4 The Future Of Retail - Retail & Technology Become Inseparable

Create A Seamless Offline & Online (O&O) Experience To Create Maximum Value For Our Customers



A low-angle photograph of the Capital Tower in Singapore, showing its distinctive stepped design and glass facade against a blue sky with scattered white clouds. The tower is the central focus on the left side of the image.

Transaction Details

Capital Tower, Singapore



Transaction Details

Overview

Portfolio Divested	Group of companies holding 20 malls across 19 cities
Total Agreed Property Value	RMB 8,365.0 million (~S\$1,705.9 million ¹)
Total Property Valuation ²	RMB 7,842.2 million (~S\$1,599.3 million ¹)
Net Proceeds ³	~S\$ 660.0 million
Net Gain ³	~S\$ 75.0 million
Portfolio Holding Period	~10 years

Comprising 4% Of Total Mall's And 7% Of China Mall's Property Value²

Note:

1. Exchange rate S\$1 = RMB 4.9036
2. As at 30 Jun 2017
3. As of CapitaLand's effective stake

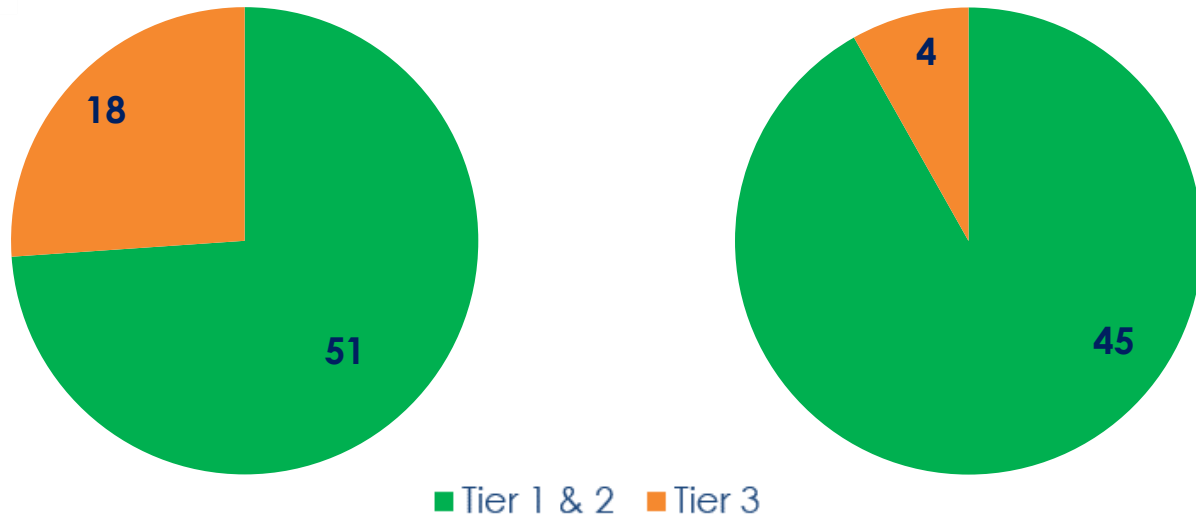


A Better Quality Portfolio Predominantly In Tier 1 & 2 Cities

Pre-Transaction

Post-Transaction

Number Of Malls



- **Sharpened Focus In China - 49 Malls Concentrated In 22 Cities, Compared To 36 Cities Previously**
- **Optimise Resource Allocation & Economies Of Scale**

Note:

1. The figures include properties owned/ managed by CMA.
2. Tier 1: Beijing, Shanghai, Guangzhou and Shenzhen; Tier 2: Provincial capital cities, Dalian, Ningbo, Qingdao and Suzhou.

Conclusion

ION Orchard, Singapore



Conclusion

- Divested portfolio is consistent with our strategy to improve quality of CL's mall portfolio
- Recent portfolio reconstitution through acquisitions like Rock Square and newly opened malls will strengthen our China mall's presence in the five core city clusters
- Divested portfolio, of which 14 malls are in single-mall cities, has limited impact on our China mall network. Management focus can also be sharpened by focusing on core assets
- Divested portfolio only constitutes ~ 7% of our China mall's property value. Proceeds of S\$660 million and portfolio gain of S\$75 million provide financial flexibility to redeploy into better quality assets
- CL's mall portfolio will be reviewed regularly to remain relevant and competitive. Also look for opportunities to unlock value from matured assets to enhance ROE



Thank You

For enquiries, please contact Ms. Chang Rui Hua, Head of Investor Relations and Capital Markets Compliance,
Direct: (65) 6713 2903; Email: chang.ruihua@capitaland.com



Malls Divested

City	CapitaMall	GFA ¹ (Sqm)
Anyang	Beiguan	36,922
Beijing	Cuiwei	56,141
Chengdu	Shawan	38,612
Chongqing	Jiulongpo	43,167
	Shapingba	41,877
Deyang	Deyang	41,400
Dongguan	Dongguan	44,489
Foshan	Guicheng	49,115
Maoming	Maoming	37,882
Nanchang	Chengnanyuan	45,607
Quanzhou	Quanzhou	43,096
Weifang	Weifang	48,946
Yangzhou	Yangzhou	52,536
Yibin	Nan'an	37,524
Yiyang	Taohualun	34,895
Zhangjiang	Zhanjiang	47,266
Zhangzhou	Zhangzhou	42,725
Zhaoqing	Zhaoqing	44,840
Zhengzhou	Jinshui	55,451
Zibo	Zibo	41,994
	Total	884,485

Note:

1. Gross floor area excluding car park.