



# CapitaLand Analysts / Media Trip 2017

## CapitaLand Mall Asia Limited

Mr Jason Leow, CEO, CMA

2 July 2017





# 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.





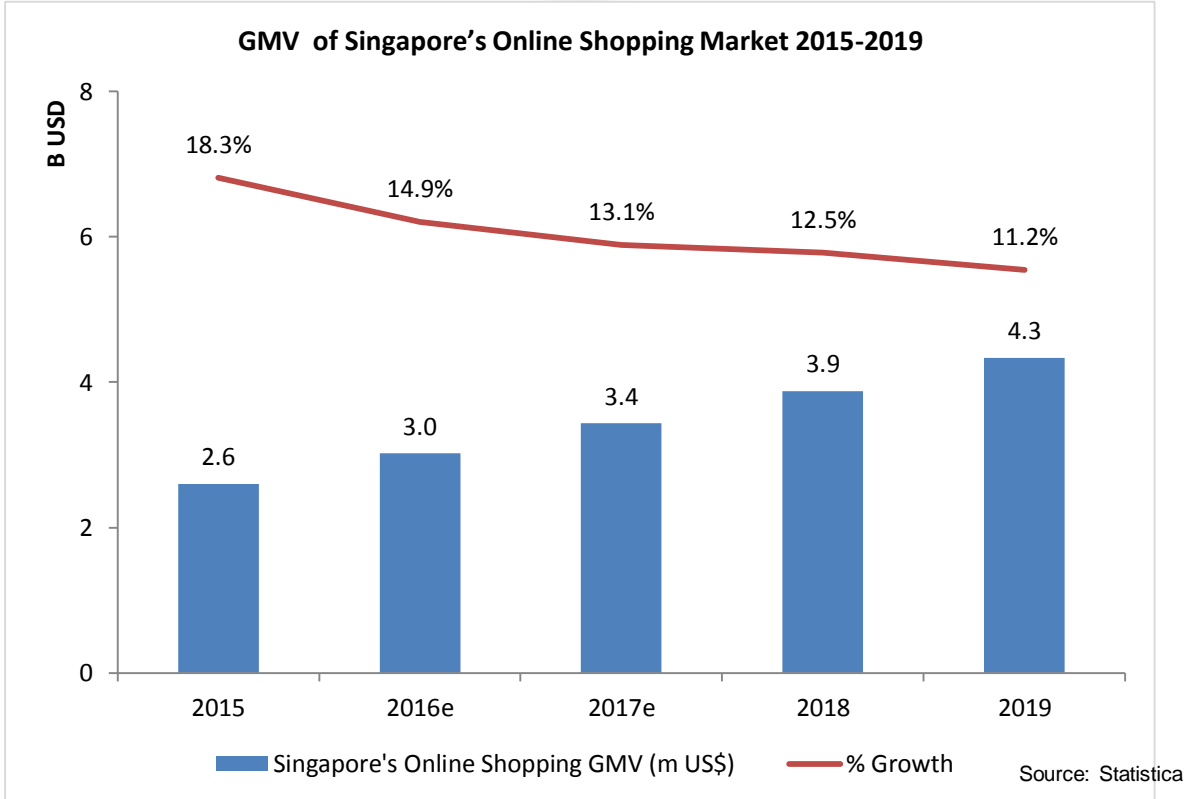
**Physical Retail Is  
Still Relevant**





# Slowing Growth Of Online Sales – Offline Sales Is Still Dominant

Although China and Singapore's online sales markets are projected to grow over the next few years, growth is projected to slow down





# Physical Retail Is Still Relevant



**Annual Shoppers Traffic**  
**> 500 million**



**Extensive Network of Retailers**  
**> 11,000 leases**

**Gross Turnover of Retailers**  
**> S\$5 billion**



**Annual Shoppers Traffic**  
**> 400 million**

**Extensive Network of Retailers**  
**> 3,000 leases**



**Gross Turnover of Retailers**  
**> S\$5 billion**

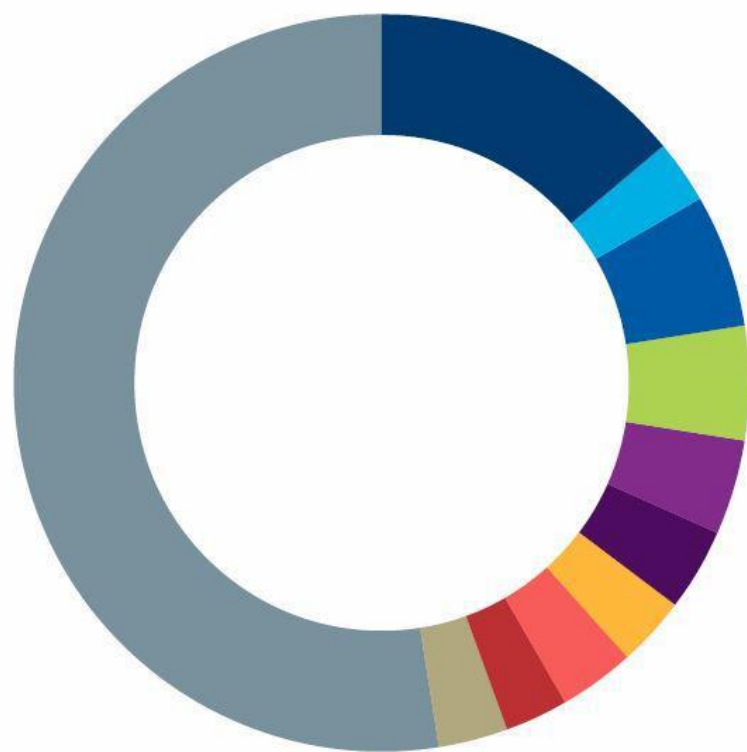
Note:  
Figures for FY 2016



# Leading Foothold In Singapore

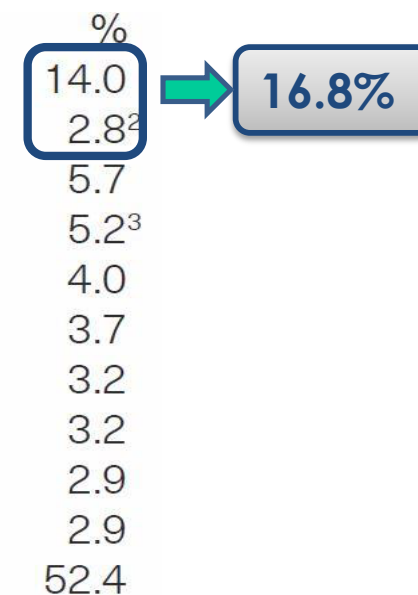
## Share of Major Shopping Malls Floor Space By Owner<sup>(1)</sup>

CL is the largest shopping mall owner in Singapore owning 16.8% of malls greater than 100,000 sq ft NLA



- CapitaLand Mall Trust
- CapitaLand
- Pramerica
- Lendlease
- Far East Organization
- Mapletree Commercial Trust
- United Industrial Corporation Limited
- Frasers Centrepoint Trust
- NTUC
- Frasers Centrepoint
- Others

Source: Cistri.



(1) Malls greater than 100,000 sq ft NLA as at end 2016. Share of floor space takes into account ownership stake.

(2) CapitaLand's share only accounts for malls directly owned by CapitaLand and does not include those owned through CMT.

(3) Fund Manager treated as a single owner.





# Top 3 Dominant Player In China Core City Clusters

	CapitaLand	Key Competitors & Retail Supply					
Beijing Cluster	Top 3	AEON	万达集团 WANDA GROUP	中粮 COFCO	Longfor 龙湖地产	SWIRE	华润 与您携手 改变生活
# of Malls	11	6	5	5	3	2	2
Area (sqm)	0.7 mil	0.6 mil	1.1 mil	0.8 mil	0.4 mil	0.2 mil	0.2 mil
Shanghai Cluster	Top 3	万达集团 WANDA GROUP	POWERLONG 宝龙地产	AEON	SK	KERRY PROPERTIES	Longfor 龙湖地产
# of Malls	7	12	10	4	4	4	3
Area (sqm)	0.6 mil	2.5mil	0.5mil	0.5 mil	0.3 mil	0.2 mil	0.5 mil
Wuhan Cluster	Top 3	万达集团 WANDA GROUP	AEON	IKEA			
# of Malls	4	4	3	1			
Area (sqm)	0.4 mil	1.2 mil	0.3 mil	0.2 mil			
Chengdu Cluster	Top 3	Longfor 龙湖地产	万达集团 WANDA GROUP	华润 与您携手 改变生活	中粮 COFCO	SWIRE	
# of Malls	8	16	9	2	1	1	
Area (sqm)	0.6 mil	1.3 mil	3.5 mil	0.4 mil	0.2 mil	0.1 mil	

1. Include operating malls for H1 2017
2. Numbers are based on publicly available information.





# Our Business . Our Focus



## Optimising portfolio

with income-producing “Dominant Malls in Core Cities” strategy, for optimal and sustainable growth



Expanding retail network & creating future pipeline through investments and management contracts



## Focusing on execution & delivery

by driving NPI growth and nurturing malls for stabilisation





**Optimising Portfolio :  
Acquisitions &  
Divestments**





# Optimising Portfolio With Active Acquisitions & Divestments

## Acquisitions (~S\$1.2B)

2015



Tropicana City, Malaysia



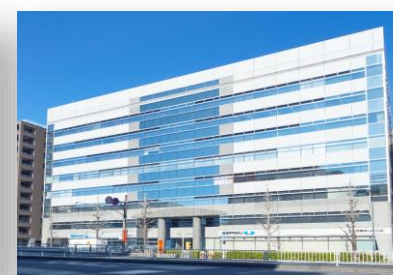
Vivit Minami Funabashi, Japan

2016



CapitaMall Xinnan Chengdu, China

2017



Mixed Portfolio of Office & Retail, Greater Tokyo, Japan

## Divestments (~S\$1.1B sales proceeds)

2015



Chitose, Japan



Bedok Mall, Singapore



Rivervale Mall, Singapore

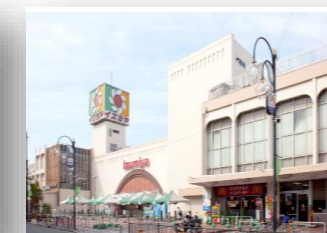
2016



CapitaMall Hongqi, China



Graphite, India



Izumiya Hirakata, Japan





# One Million Square Metres Of Retail GFA To Open In 2017



CapitaMall Westgate, Wuhan



Raffles City Hangzhou



Raffles City Changning



Raffles City Shenzhen



Melawati Mall, Kuala Lumpur



Suzhou Center, Suzhou



SingPost Centre, Singapore



LuOne, Shanghai



Malls opened in 1H 2017





# Expansion Of Retail Network : Management Contracts







# Gain Traction In Expanding Retail Network & Increasing Fee Revenue Through Management Contracts With >200,000 Sqm Of Retail GFA



**Hehua International Commercial Plaza, Foshan, China**



**Fortune Finance Center, Changsha, China**



**La Botanica, Xi'an, China**



**Capital Square, Shanghai, China**



**CapitaMall Leshijie, Chengdu, China**



**SingPost Centre, Singapore**



The image shows the interior of a modern shopping mall. On the left, a large wall features a stylized map with various zones labeled: LEARNING, NATURE, SOCIAL, HISTORY, POLICE, and CONSUMER. The word 'Funan' is prominently displayed in large, illuminated letters on the wall, with the tagline 'SINGAPORE'S CREATIVE INTERSECTION WHERE PASSION MEETS DISCOVERY' underneath. In the foreground, there is a wooden shelf with a Pikachu plushie on top. Below the shelf, there are two large, knitted poufs, one red and one grey, on a circular rug. A small round table with some items on it is also visible. The background shows a staircase and a glass-walled area. The overall atmosphere is modern and creative.

# Focusing On Execution & Delivery : Building Mall Of The Future





# The New Retail





# The Changing Faces Of Retail Trends

## Example 1 : Apparel - Athleisure

Stemming from consumers who are embracing **healthier lifestyles** and demanding **more functionality**; retailers are fast moving into the broad category of being appropriate for athletic, fashion and leisure pursuits, all in one...

<u>Category</u>	<u>Brand</u>	<u>Moves to stay abreast with trends</u>
Sports Apparel	Adidas	→ Tie up with fashion designer to create Adidas By Stella McCartney Collaboration with celebrity singer to curate PUMA By Rihanna
	PUMA	
Fast Fashion	ZARA	→ Introduce or extend line of dry-fit apparels suitable for athletic and sports activities which are appropriate for everyday wear too
Designer wear	UNIQLO	
	H/M	
Cosmetics	Juicy Couture	→ Introduce "Work It Out", a new line of cosmetics where high-performance colour meets the art of fitness
	M.A.C	







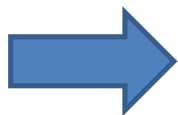
# The Changing Faces Of Retail Trends

## Example 2 : Furniture & Home Accessories

Just providing plethora of furniture & accessories is too passé. Consumers are now turning to retailers who are able to provide interior design & home furnishing **lifestyle concepts** to **complement** the products that they are buying...



Conventional furniture & home accessories store



**Opening Soon!**

1<sup>st</sup> flagship concept store in Singapore at



### MUJI meets IDÉE

**Collaboration between MUJI and IDÉE (a Japanese store that sell a variety of goods such as furniture, design objects and books) on creating a variety of unique interior design case studies and a real in-store shop experience**





# The Changing Faces Of Retail Trends

## Example 3 : Passion Pursuit

Consumers desire hands-on **immersive experience** in their passion pursuits and hobbies



I want to be  
more than just a  
spectator!



Paolo Gagliadini Karting (PGK)  
International Karting



Blasta Cars Drift Karts







# The Changing Faces Of Retail Trends

## Example 4 : Bookstore

Transformation from a mere sea of books to a **centerstage** of knowledge, culture, interests and experience



Book Reviews



Conventional bookstores



Art & Crafts



Tastefully furnished with unique ambience





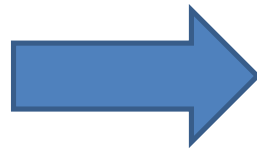
# The Changing Faces Of Retail Trends

## Example 5 : Lifestyle Destination

Evolving malls to be more than fulfilling shopping needs but also a place for **edutainment** to cater to families with kids.



Rushing kids from class to class?



Provides one-  
stop Kids &  
Teens  
Physical  
Education with  
local &  
international  
instructors



Tropicana City  
M A L L

The  
mines



CapitaLand





# Rise Of New Demand For Retail Space

## Pop Ups

Adds diversity to mall mix with eclectic offerings & generate fresh shopper traffic



## Online players going into offline shopping

Creates an omnichannel platform to provide consumers with more hands-on experience



## Social spaces

Increasing use of public spaces with communal purposes



Co-Working space



Urban Farming



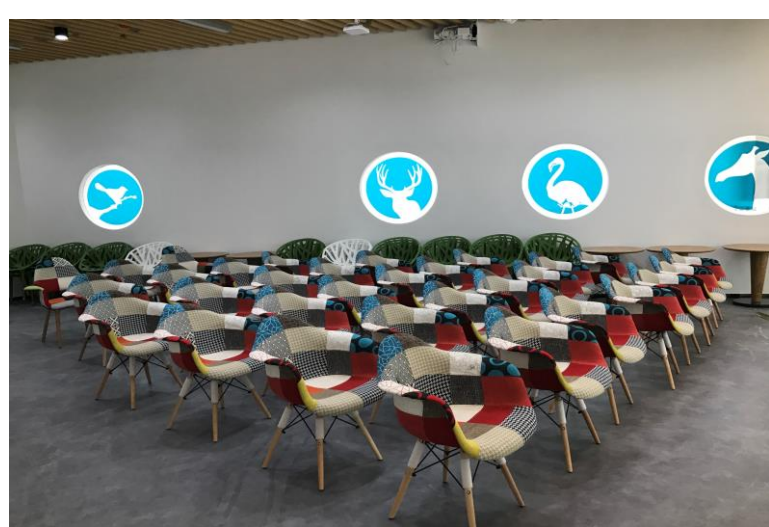
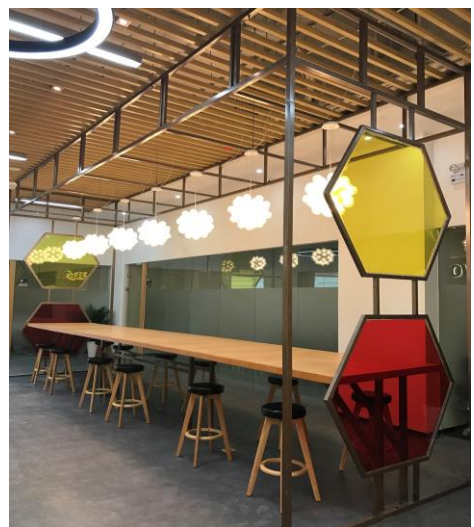
Workshops



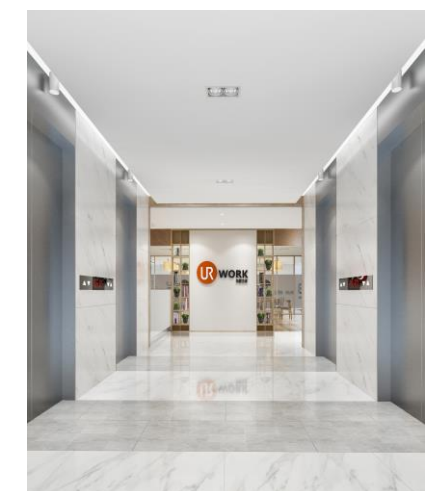
# Collaboration With 3rd Party Co-Working Space Operator, URWork

A Synergistic Platform For Startups To Test-Bed Retail-Related Innovations And Interact With Shoppers

CapitaMall Minzhongleyuan, Wuhan

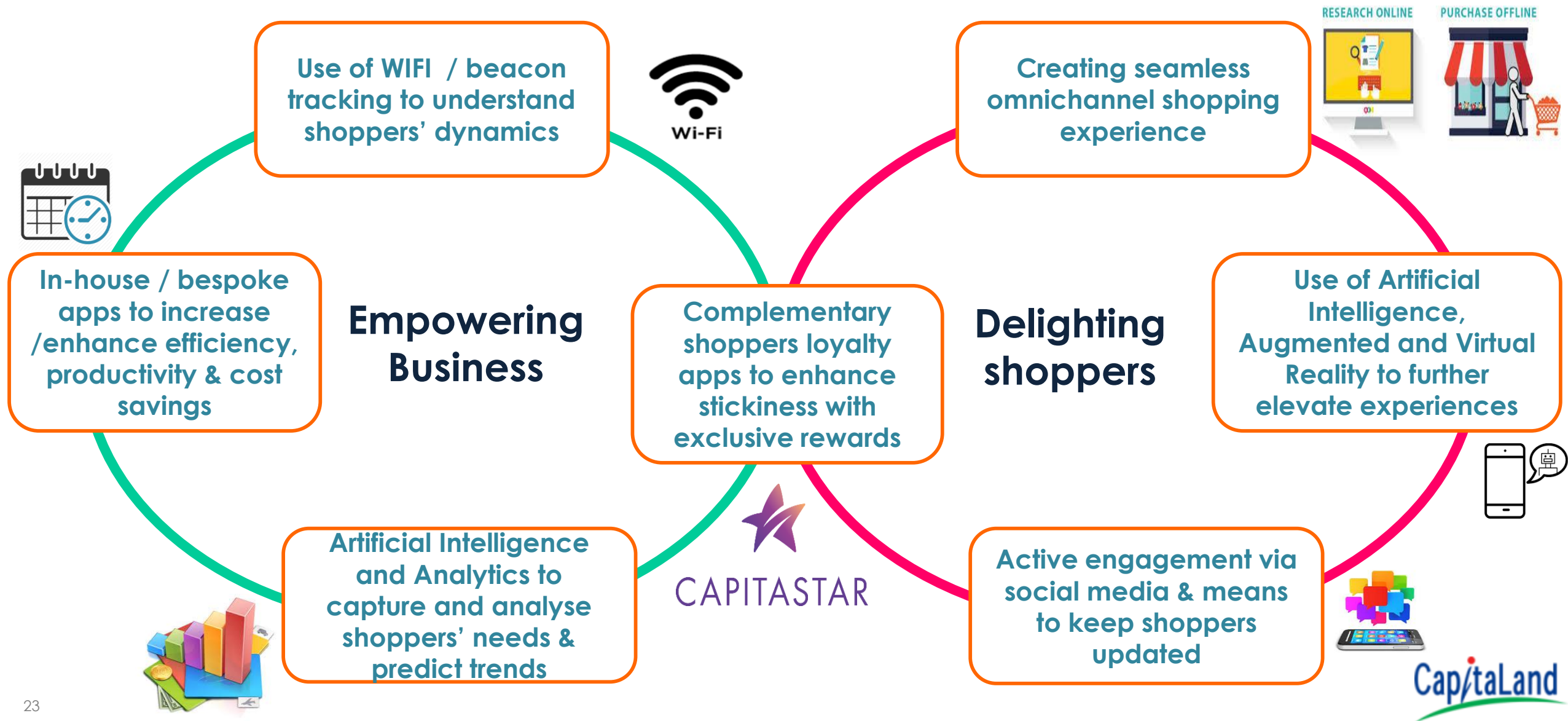


CapitaMall Wangjing, Beijing





# Retail & Technology Becoming Inseparable







# Making Our Malls Smarter

## Way Finding

Navigation function with step-by-step directions to the shop store of choice

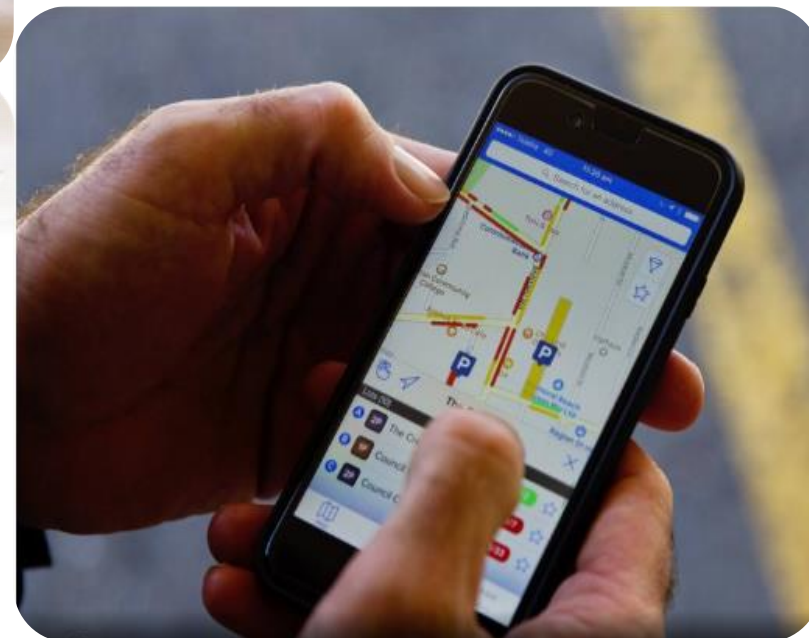


## Car Parking

Lot finding + Car locating + Paying parking charges via app

S'pore CBD's first drive-through click-and-collect and hands-free shopping service

**Click & Collect  
@ Funan**





# O2O Convergence To Bridge Services To Our Customers As Value-Add Through Our Loyalty App



• 让每位不再等 •







**Mall Opening**





# CapitaMall Westgate, Wuhan : Opened On 28 April 2017 with Much Fanfare



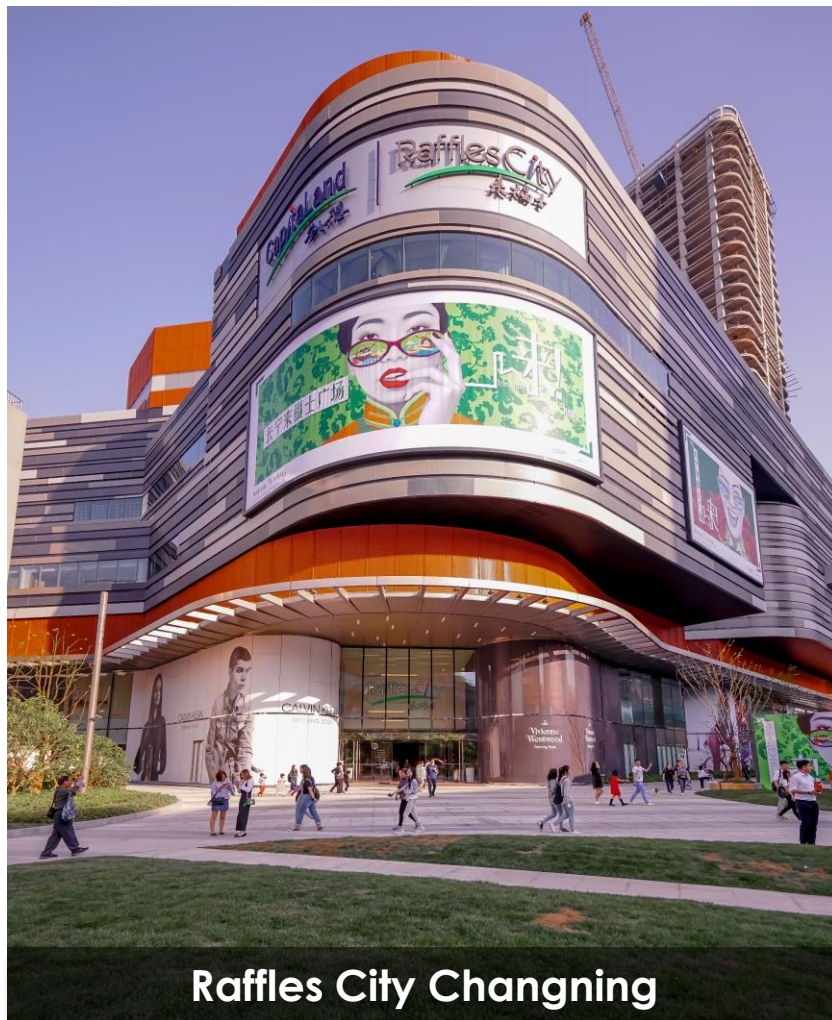
Strong opening with substantial committed leases at 92% & high shoppers traffic of 136,500 (28 April) & > 435,000 (from 28 April to 1 May)





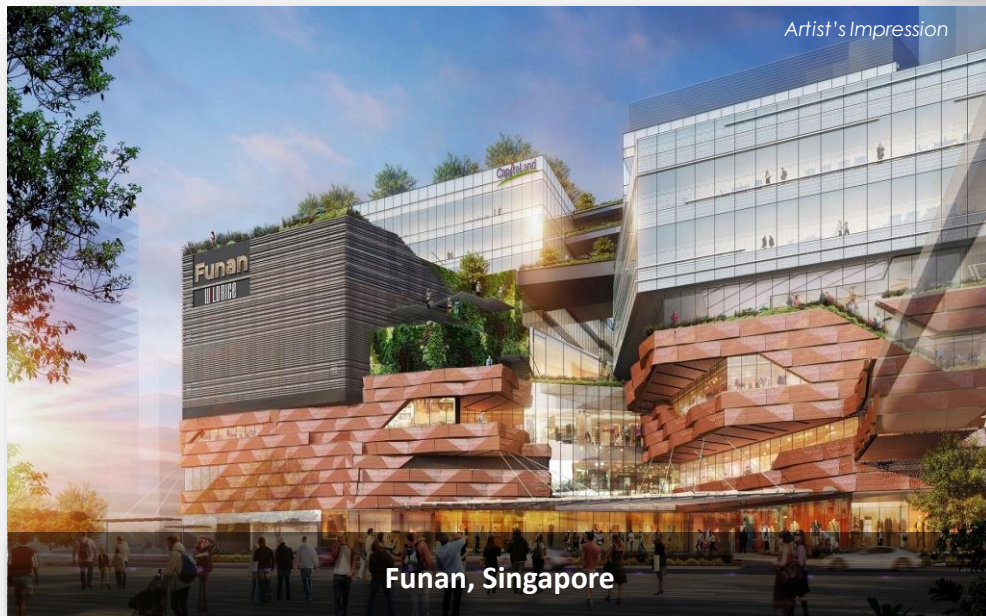


# Consecutive Raffles City Developments Opening





# Malls Opening To Look Forward To In 2018 & Beyond





# CapitaLand



Deepening Presence  
&  
Building Relevant Scale





## Well-Positioned For Growth Opportunities

- Building a business with strong recurring income
- Continuing to grow operating network through investment & management contracts
- Deepening presence & building relevant scale in our core markets through investments & management contracts
- Staying relevant in an evolving/disrupted market
- Leveraging on technology to enhance shopping experience
- Delivering sustainable returns for our shareholders





# Thank You

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