



CapitaLand Limited

Acquisition: 3rd Raffles City Integrated Development in Shanghai

13 November 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.



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An aerial architectural rendering of a modern city skyline. In the foreground, two tall, blue-glass skyscrapers with a grid-like facade stand prominently. Below them is a large, circular, landscaped area with greenery and a small pool. To the right, a cluster of other modern buildings, including a curved one, is visible. A wide river flows through the middle of the scene, with a bridge in the distance. The background shows a dense urban landscape with many smaller buildings. The text "Investment Highlights" is overlaid in white on the right side of the image.

Investment Highlights

Artist's impression



Investment Highlights

- CapitaLand's Raffles City China Investment Partners III (RCCIP III) fund in 50:50 JV with GIC to acquire Shanghai's tallest twin towers for an aggregate consideration of RMB12.8 billion (~S\$2.54 billion)
- An iconic landmark in Shanghai's North Bund, the property is set to be CapitaLand's 3rd Raffles City in Shanghai and 10th globally
- CapitaLand holds a 41.7% stake in RCCIP III
- Attractive acquisition price below replacement cost
- Property construction to be completed by June 2019

Property Details



Artist's impression



Property Details

Tallest Twin Towers In Shanghai, With 270-degree Panoramic View Of Shanghai Bund And Lujiazui CBD

Location	55 Haimen Road, Hongkou, Shanghai
Description	Twin 50-storey Grade A office towers with a seven-storey shopping mall (four levels above ground and three basement levels) and three additional carparking basements
Land Tenure	Office - 2013 - 2063 Retail - 2013 - 2053
Site Area	40,577 sqm
Height	263 m
Gross Floor Area¹	Office - 185,800 sqm Retail - 126,917 sqm Total - 312,717 sqm
Car Park Lots	1,784
Architects	Pelli Clarke Pelli and Benoy
Property Value	RMB 19.5 billion (~S\$ 3.87 billion)



Transaction Rationale



Artist's impression



Transaction Rationale

- 1 Solid growth prospects of Shanghai's North Bund
- 2 Excellent project attributes fitting for CapitaLand's Raffles City brand
- 3 Almost completed property at attractive price below replacement cost
- 4 Growing AUM by leveraging on the Group's fund management capability
- 5 Further consolidation of property network in Shanghai

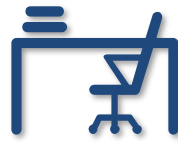


1 Solid Growth Prospects Of Shanghai's North Bund

Shanghai's Emerging Central Business District



High level of interest from international capital in Shanghai
83% y-o-y increased in property investment in the first 9 months of 2018



Low Supply
Limited new office supply coming onstream in the traditional CBDs

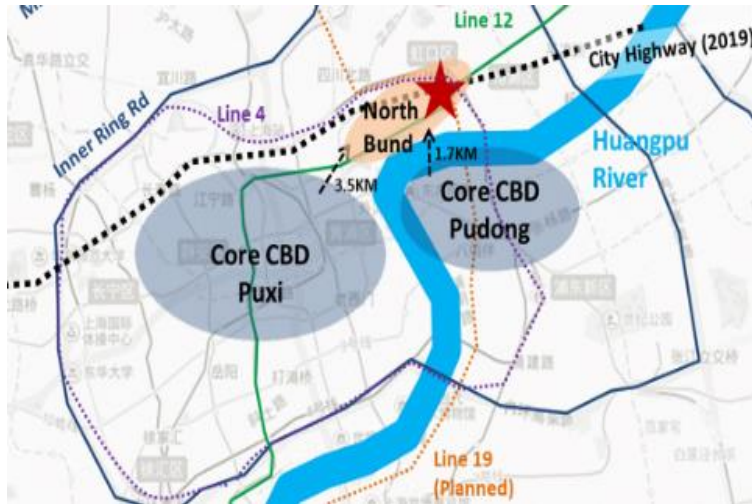


Rising Rent Rates
Average rent for Grade A offices in North Bund rose by 10.0% over the first 9 months of 2018



1 Solid Growth Prospects Of Shanghai's North Bund

Adjacent to the Shanghai Bund And Facing Lujiazui, North Bund Is the Natural Extension Of Shanghai's Financial Hub and CBD



- Extension of the core CBD, given its proximity to both Puxi and Pudong CBDs
- With limited office supply in core CBD, North Bund is well-positioned to absorb the spillover demand
- YTD 2018, office rents in the North Bund area have outperformed the average Shanghai growth rate
- Easy accessibility with direct connection to two major train lines - Metro Line 12 and planned Line 19. These two lines have more interchange stations than any other lines in Shanghai



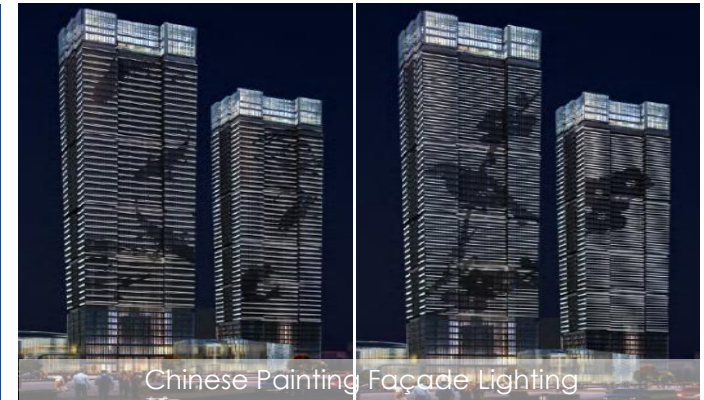
2 Excellent Project Attributes Fitting For CapitaLand's Raffles City Brand

- Outstanding Design By Renowned Architects Pelli Clarke Pelli And Benoy With Superior Grade A Specifications
- Iconic Landmark In Shanghai CBD With Irreplaceable Location Along The North Bund
- Dominant Mall In North Bund CBD



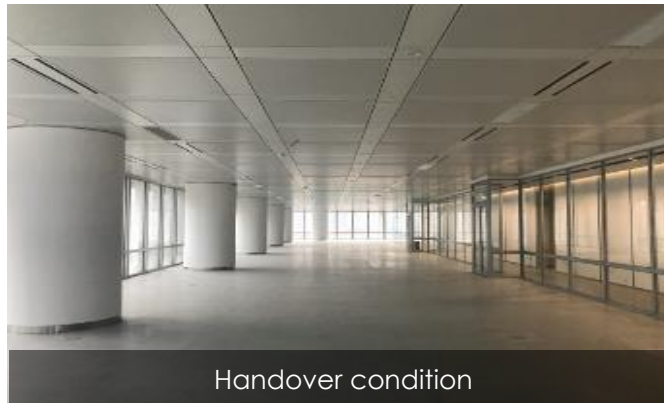
Awarded Multiple Green Building Qualifications

**LEED Gold
BREEAM-Outstanding
3-star Green Building Label**



High Technical Specifications:

- ✓ Floor-to-floor – 4.5m;
- ✓ Clear height 3.2m
- ✓ Raised floor – 150 mm
- ✓ Typical floor area ~ 2,000m²
- ✓ 29 high-speed passenger lifts for each tower
- ✓ Aircon - VAV system

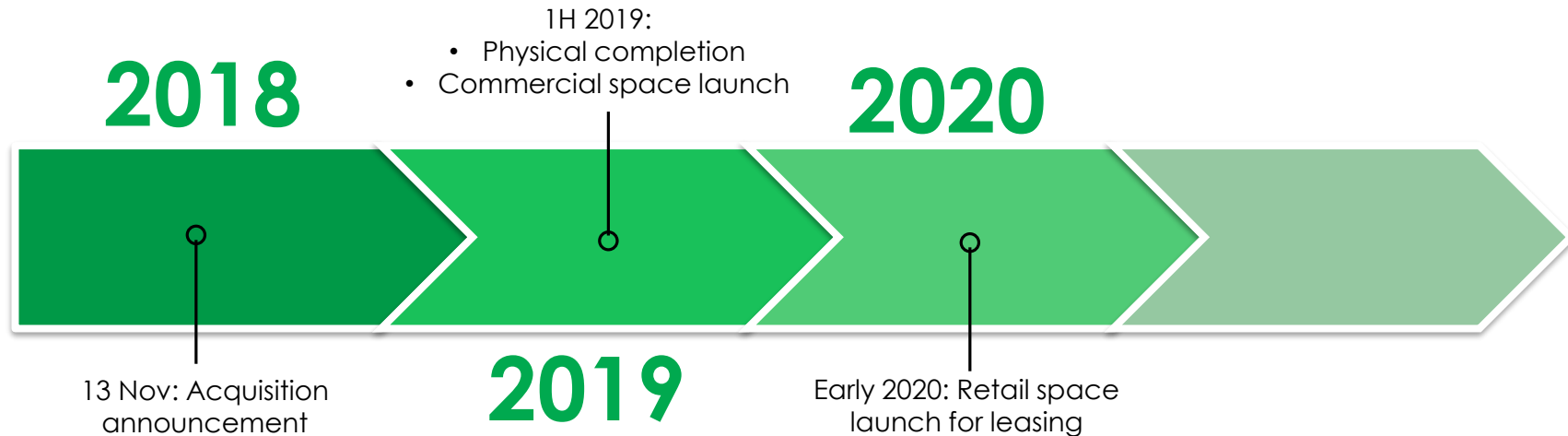




3 Almost Completed Property At Attractive Price Below Replacement Cost

Short Time-To-Market, Acquisition Price Below Market Comparables

- Efficient use of invested capital with minimal construction risk as property is expected to be completed by 1H 2019
- Offered price is lower than replacement cost based on recent land transactions in the vicinity
- The acquisition is funded by a combination of debt and equity



Property Expected To Start Contributing to the Group's Recurring Income In 2019



4 Growing AUM By Leveraging on Fund Management Capability

50:50 Joint Venture With CapitaLand's Stake¹ Funded Through RCCIP III

- CapitaLand holds 41.7% in RCCIP III, with remaining interests held by investors from Asia, North America and the Middle East
- GIC, a global investment institution and preferred partner of choice for investors, financiers and other stakeholders
- Develop long-term relationship with reputable capital partners through joint ventures and funds
- Ability to tap on diversified sources of funds is central to the active capital management strategy of CapitaLand

Effective Management Of CapitaLand's Shareholder Equity



Raffles City Shenzhen

Raffles City China Investment Partners III

- Largest private equity partnership established by CapitaLand in 2016
- Fund closed at US\$1.5 billion with fund life of 8 years
- Mandate is to invest in "Raffles City" branded integrated developments in gateway cities in China
- The new acquisition brings the total number of assets in RCCIP III to two, including Raffles City Shenzhen which was acquired in 2016
- RCCIP III is materially deployed, with potential for more acquisitions



4 Growing AUM By Leveraging on Fund Management Capability



OTHER CAPITALAND RAFFLES CITY FUNDS

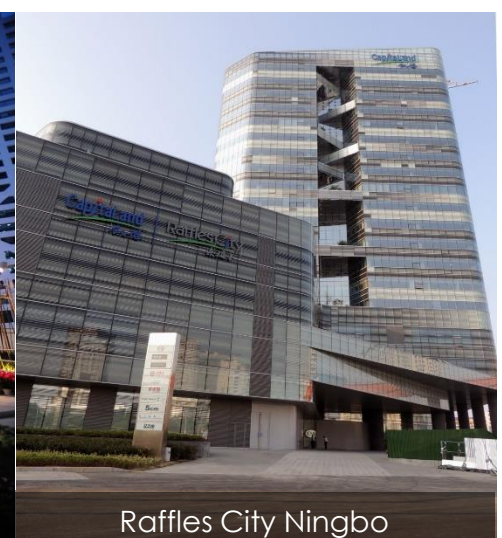
Raffles City Changning JV

Closed in 2010 at S\$1.03 billion
(Fully invested with single-asset)



Raffles City China Income Ventures (RCCIV)

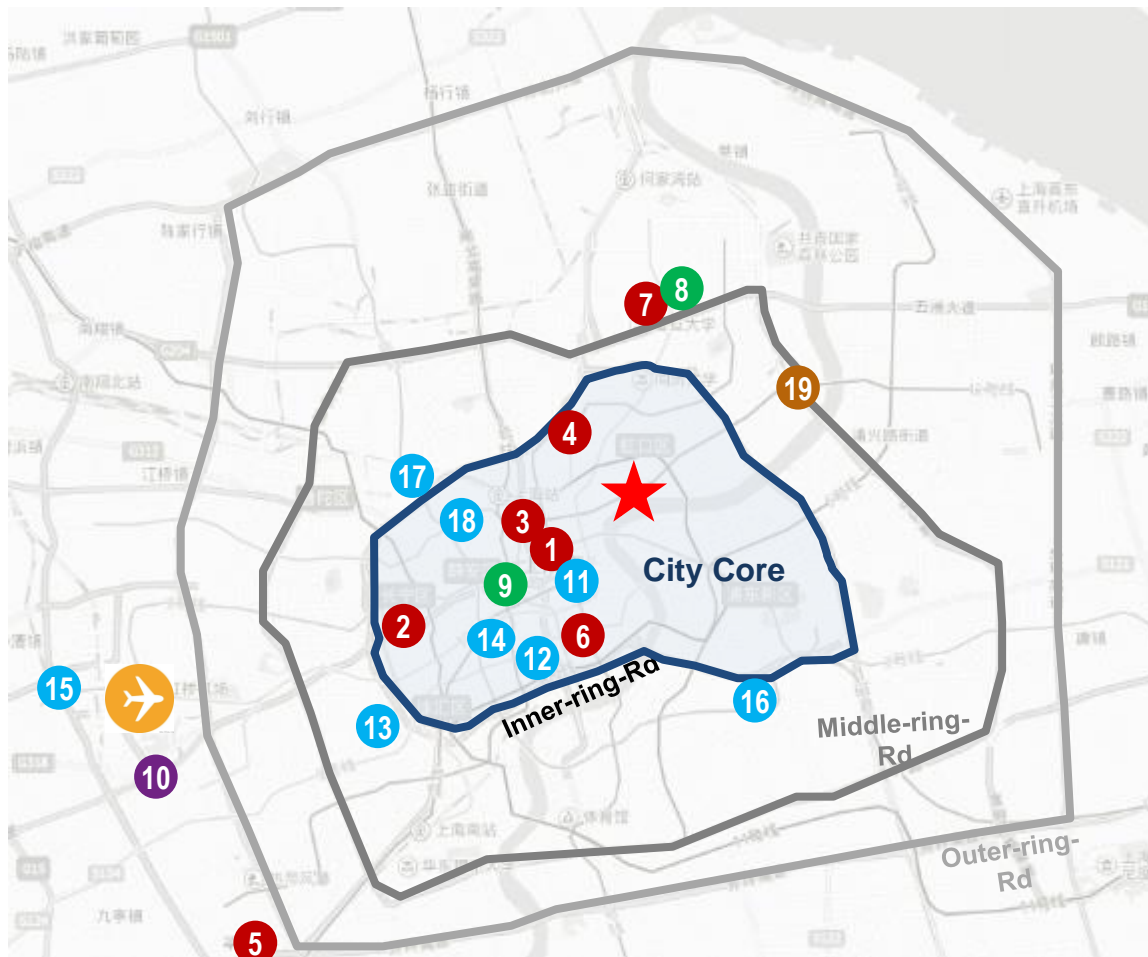
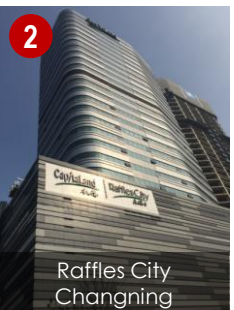
Closed in 2018 at US\$1.18 billion
(Portfolio consists of 5 assets from first Raffles City China Fund. Fully invested)





5 Further Consolidation of Property Network In Shanghai

Post Acquisition, CapitaLand Will Own The Largest Portfolio Of Assets Under Management (AUM) In Shanghai Amongst Foreign Developers



Map Key	Property Type	Project
★	ID	Acquired Property
1	ID	Raffles City Shanghai
2	ID	Raffles City Changning
3	ID	Capital Square
4	ID	Hongkou Plaza
5	ID	Minhang Plaza
6	ID	LuOne
7	ID	Innov Center
8	Office	Innov Centre Phase 2 (U/C)
9	Office	Capital Tower (U/C)
10	Mall	CapitaMall Qibao
11	SR	Ascott Huai Hai Road Shanghai
12	SR	Somerset Xu Hui Shanghai
13	SR	Somerset Gubei Shanghai
14	SR	Ascott Heng Shan Shanghai
15	SR	Somerset Hongqiao Shanghai
16	SR	Citadines Jinxiu Shanghai
17	SR	Citadines Guangxin Xiangyi Shanghai
18	SR	Ascott Jingan Shanghai
19	Self-storage	StorHub Huangxing Road



5 Further Consolidation of Property Network In Shanghai

Increased Dominance of Investment Property Network in Shanghai



- Acquired property is the Group's 8th integrated development and 20th property in Shanghai
- Planting 3rd Raffles City flag in Shanghai (9th in China) strengthens CapitaLand's branding across the country
- Effective redeployment of proceeds from earlier divestments in 2018 to reposition CapitaLand for long-term growth, in line with the Group's "core city clusters, dominant assets" strategy
- Shanghai is the key city in CapitaLand's Eastern cluster

Conclusion



View From 48F Of The Acquired Property

Conclusion



Façade Lighting – Concept Of Chinese Ink Painting

- Acquisition aligned with CapitaLand's strategy to focus in dominant assets in five city clusters¹ in China
- Strategic asset acquired through prudent pricing and execution considerations
- Solidifies CapitaLand's market position in Shanghai as the foreign developer with the largest portfolio of AUM
- Expansion of CapitaLand's signature Raffles City portfolio through an iconic and high-quality development
- Demonstrates fund management capability to grow AUM

1) Five city clusters include (1) Beijing-Tianjin; (2) Shanghai-Ningbo-Hangzhou-Suzhou; (3) Guangdong-Shenzhen; (4) Wuhan; and (5) Chengdu-Chongqing-Xi'an



Artist's impression

Thank You

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Shopping Mall - Artist's impression

Supplemental Information



Shanghai's Growing Prominence Globally

China's Financial Centre And Ranks Among The World's Gateway Cities



ROBUST ECONOMIC FUNDAMENTALS

Shanghai's GDP crossed RMB 3.0 trillion in 2017, ranked 1st in China, 2nd in Asia Pacific and Top 10 worldwide



COMMERCIAL & FINANCIAL CENTRE

Shanghai is the commercial and financial centre of China. In addition to the Shanghai Stock Exchange, the city also hosts the world's largest gold exchange market and 2nd largest future and diamond exchange markets



BUSINESS HUB

More than 1,300 multinational corporations headquartered in Shanghai, along with 75 consulates



AVIATION HUB

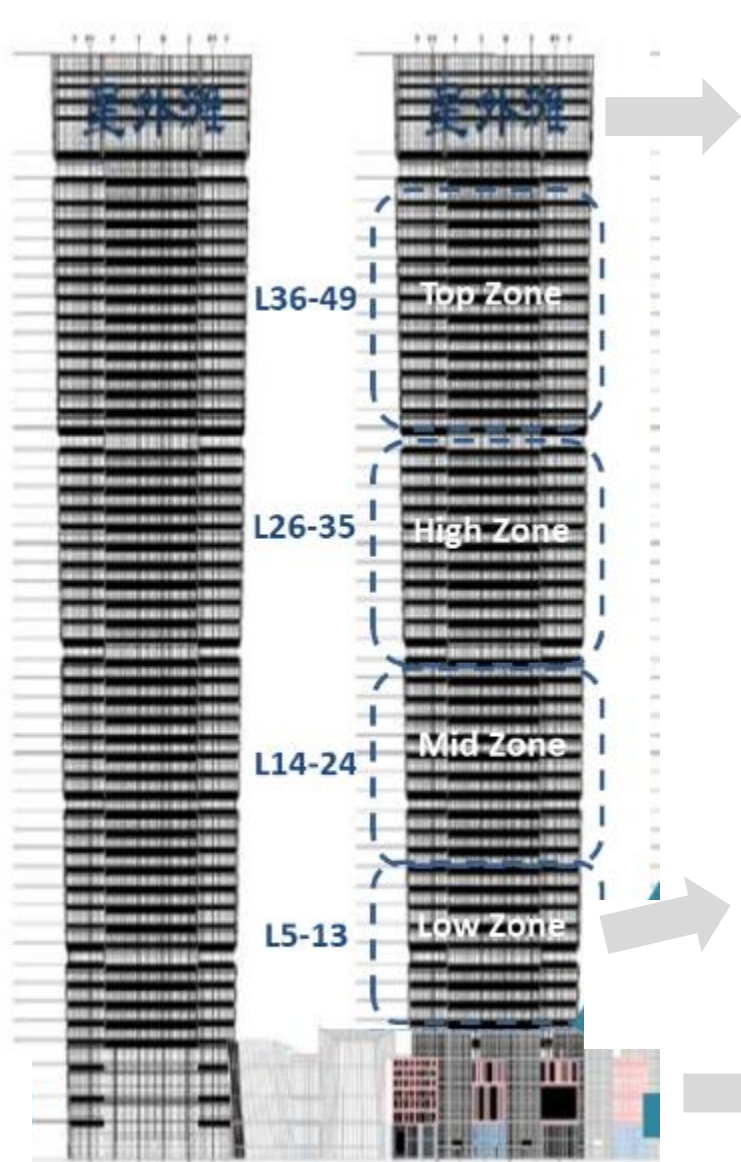
Annual aviation passengers traveling through Shanghai's airports exceeded 100 million in 2016, becoming the 5th city in the world to cross this milestone



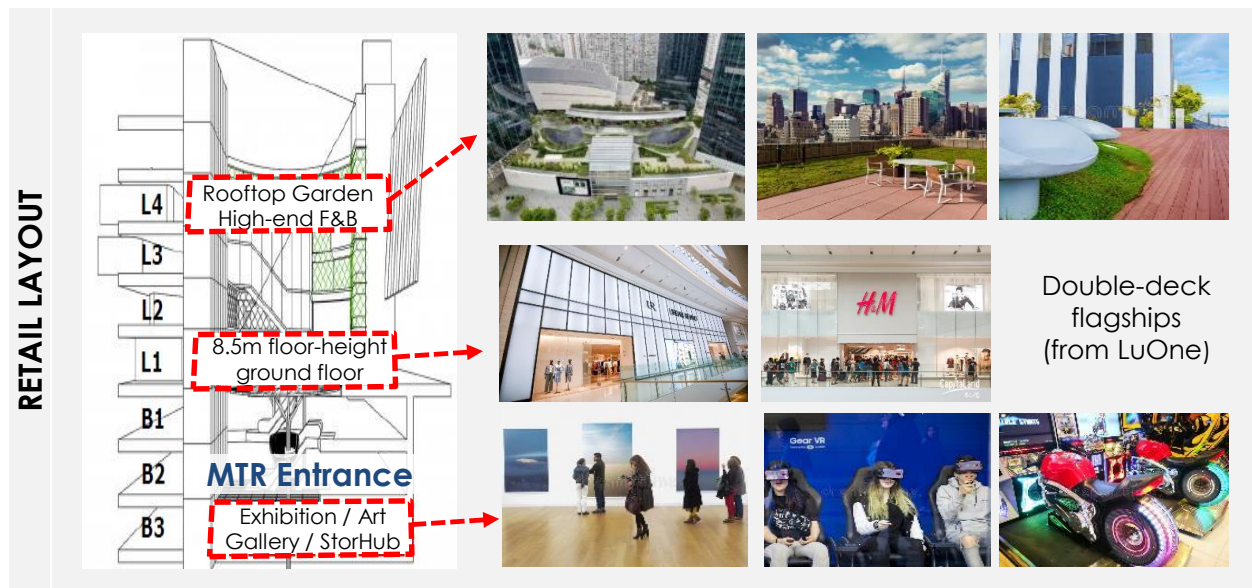
GLOBAL HUB PORT

Shanghai's Port cargo handling capacity and container handling capacity have been ranked 1st globally for the past 7 consecutive years

Integration Of Office, Mall And Transportation



Rooftop Heliport
(1 on each tower)



- Metro station
- Bus & Transportation Hub of North Bund



Artist's impression

The End