



CAPITALAND LIMITED

Divestment of Partial Stakes in Six Raffles City Developments in China

28 June 2021

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Note:

(1) CLI effected a change of name from CapitaLand Financial Limited to CapitaLand Investment Management Limited on 22 March 2021 and subsequently from CapitaLand Investment Management Limited to CapitaLand Investment Limited on 18 June 2021

Transaction Overview

Digital platform of 13-million member⁴ base fortifies CapitaLand's retail network

Raffles City Chengdu
55.0% → 30.0%¹



Raffles City Hangzhou
55.0% → 30.0%¹



Raffles City Beijing
55.0% → 30.0%¹



Beijing
Tianjin

▲ Raffles City assets
● Other CapitaLand retail assets² in China

Raffles City Shanghai
30.7% → 12.6%¹



Raffles City Changning
42.8% → 25.0%¹



Raffles City Ningbo
55.0% → 30.0%¹



Guangzhou
Shenzhen

- ❑ CapitaLand to divest partial stakes in a group of companies that own **six Raffles City (RC)** developments in China for **RMB46.7bn (~S\$9.6bn)**, **a 6.7% premium to valuation**
- ❑ Achieved **FRE/FUM⁵ ratio of approximately 62bps⁶** for the portfolio
- ❑ Successfully onboard long-term Chinese onshore strategic partner - Ping An Life Insurance Company of China, Ltd. ("Ping An") to acquire:
 - 70.0% onshore stake in RC Beijing, RC Chengdu, RC Ningbo, RC Hangzhou and RC Changning; and
 - 60.0% onshore stake in RC Shanghai;
- ❑ Coincides with the landmark registration of CapitaLand as a private equity fund manager in China
- ❑ CapitaLand China retains **12.6% to 30.0% stake** in each development and **will remain as the asset manager** for all six RCs, earning FRE
- ❑ CapitaLand's **FY 2021 S\$3bn capital recycling target met** – **More than S\$2bn of net proceeds⁷** to be unlocked
- ❑ Transaction expected to complete in 3Q 2021

Strong retail network of 43 operating malls² across five core city clusters³

Notes:

1. Numbers refer to CapitaLand's effective stake in the project pre and post transaction
2. As of 31 March 2021. Includes Integrated Development
3. Comprises Shanghai/Hangzhou/Suzhou/Ningbo, Beijing/Tianjin, Guangzhou/Shenzhen, Chengdu/Chongqing/Xi'an and Wuhan
4. China CapitaStar membership as of 31 Mar 2021
5. See glossary
6. Average across 2008 - 2020
7. Proceeds and NAV uplift due to the divestment will be captured under CLI, should the proposed restructuring announced on 22 Mar 2021, be approved by CapitaLand's shareholders and completed

Raffles City Portfolio in China

A leader in integrated developments



Effective stake post transaction:	25.0%	30.0%	30.0%	12.6%	30.0%	30.0%	20.8%	30.4%	100.0%
	RC Changning	RC Hangzhou	RC Ningbo	RC Shanghai	RC Beijing	RC Chengdu	RC The Bund	RC Shenzhen	RC Chongqing³
Holding entity	Senning (JV)	RCCIV ¹	RCCIV ¹	RCCIV ¹	RCCIV ¹	RCCIV ¹	RCCIP III	RCCIP III	CapitaLand
Total GFA¹ (sqm)	273,446	282,177	100,184	139,593	110,996	242,086	312,728	121,348	763,540
Completion year	2017	2017 / 2018	2012	2003	2009	2012	2021	2017	2019
Usage	<ul style="list-style-type: none"> • Retail • Office 	<ul style="list-style-type: none"> • Retail • Office • Serviced Residences • Hotel 	<ul style="list-style-type: none"> • Retail • Office • Residential 	<ul style="list-style-type: none"> • Retail • Office 	<ul style="list-style-type: none"> • Retail • Office • Rental apartments • Serviced Residences 	<ul style="list-style-type: none"> • Retail • Office • Serviced Residences 	<ul style="list-style-type: none"> • Retail • Office 	<ul style="list-style-type: none"> • Retail • Office • Serviced Residences 	<ul style="list-style-type: none"> • Retail • Office • Serviced residences • Hotel • Strata sales

Notes:

1. Comprises retail, office, lodging and/or strata sales components of the RC properties

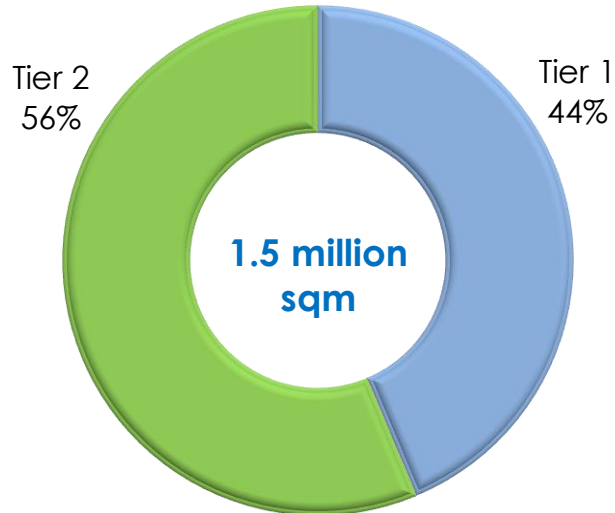
2. Since completions of the respective assets

3. RCCQ will be an asset under privatised CapitaLand Development, should the proposed restructuring announced on 22 Mar 2021 be approved by CapitaLand's shareholders and completed

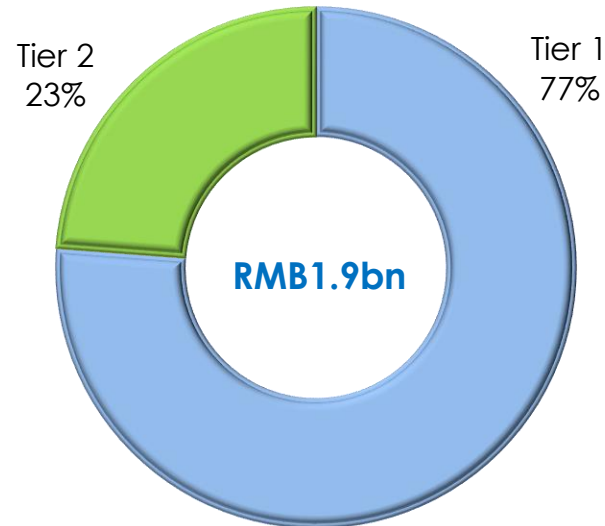
Profile Breakdown of Portfolio to be Divested

Quality assets diversified across six cities in China

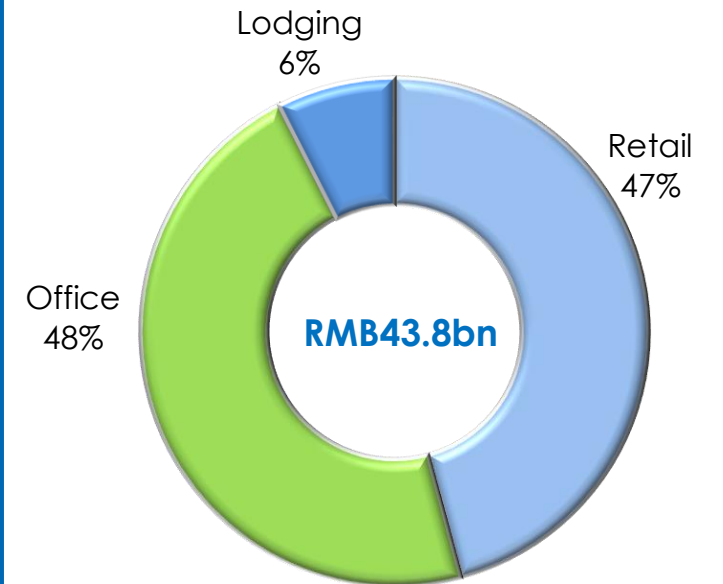
GFA¹ By City Tier



NPI² By City Tier



Valuation³ by Asset Type



Notes:

- 1. Includes carpark area
- 2. Based on 2020 NPI and on a 100% basis, excludes Ascott RCH
- 3. As of Dec 2020, excludes Ascott RCH

Transaction Demonstrates CapitaLand's Ability to Tap Onshore Capital in China...



New Strategic Partner

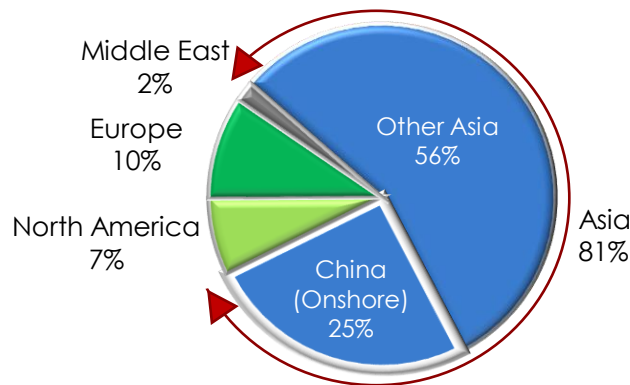
Ping An Life Insurance Company of China, Ltd.

- A core member of Ping An Insurance (Group) Company of China, which is one of the largest financial services companies in the world, with over 200 million retail customers and 574 million Internet users¹;
- Ping An Life Insurance Company of China owns service network across China and provides customers with full-cycle life insurance products and services.

Registration as Private Equity Fund Manager in China To Enhance CapitaLand's Onshore Fund Management Position

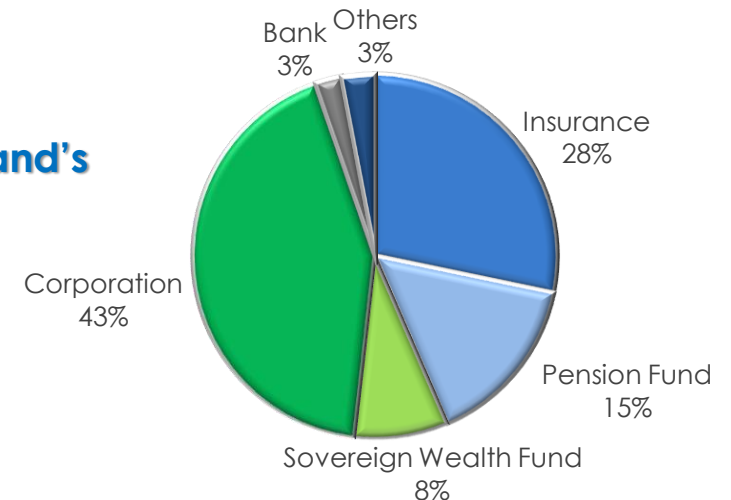
- In June 2021, CapitaLand announced that it has successfully registered as a private equity fund manager in China;
- The Group can now conduct RMB-denominated fund raising and provide fund management (FM) services in China, expanding its current product suite and FM capabilities;
- The direct access to onshore Renminbi funding, is expected to open up more capital partnership opportunities with domestic institutional investors.

By Investor Domicile



Post-transaction Breakdown of CapitaLand's Unlisted Funds FUM of S\$25.8Bn²

By Investor Type



Notes:

1. Source: Company website (<https://www.pingan.com/us-en.shtml>)
2. As at 31 Dec 2020
3. Others include HNWI, Trust Companies, Investment Managers, Hedge Funds, Cooperatives, Securities Companies, Endowments, Government

...And On-going Discipline in Portfolio Reconstitution

← Conscientious Pivot Towards New Economy Asset Classes →



Data Centre Campus in Minhang, Shanghai



Dalian Ascendas IT Park

- Announced acquisition of hyperscale data centre campus in April 2021
- Total consideration: RMB3.66bn (\$\$757.7M)

- Increased stake for a total consideration of RMB501M (\$\$103M) in May 2021

Target to grow new economy assets in China to \$\$5bn

Improve Capital Efficiency While Retaining FUM



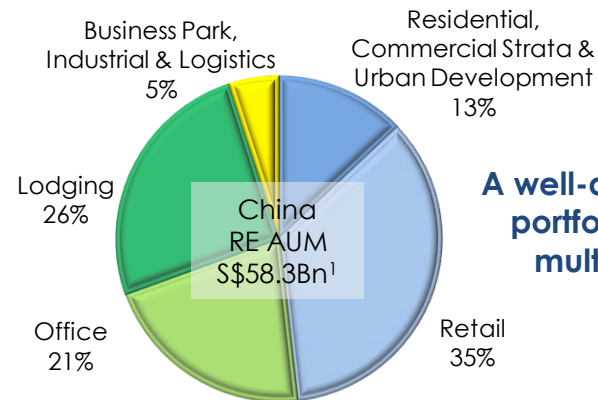
Five Business Park Properties & Rock Square

Partial Stakes in 6 RC Developments

- Divested at RMB8,130.0M (\$\$1,653.1M) in Nov 2020, to CapitaLand China Trust (CLCT)
- Entered into a 49:51 JV with CLCT to invest in Ascendas Xinsu Portfolio

- Divested at RMB46.7bn (~\$\$9.6bn) in Jun 2021, 6.7% premium to valuation
- Remains as asset manager

- Continue generating FRE through fund and/or asset management
- Participate in continued growth of assets through smaller stakes or via sponsored vehicles



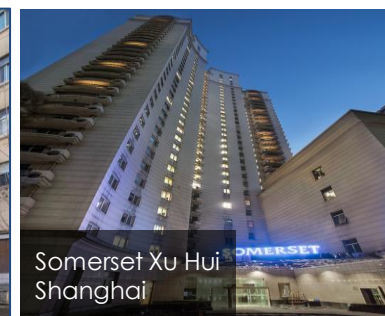
A well-diversified portfolio across multiple asset classes

← Divesting Non-core Assets →



CapitaMall Minzhongleyuan, Wuhan

- Divested by CLCT at RMB458.0M (\$\$93.4M) in Jan 2021



Somerset Xu Hui Shanghai

- Divested at RMB1,050.0M (\$\$215.6M) by ART in Feb 2021
- Achieved 171% above book value

Unlock profits for recycling into higher yielding assets

Notes:

1. As at 28 June 2021
2. Investment values based on agreed property value (100% basis) or purchase/investment consideration
3. Divestment/transfer values based on agreed property value (100% basis) or sales consideration

Conclusion

- This landmark transaction further illustrates CapitaLand's execution capability:
 - Ability to develop and significantly enhance the value of a sizeable portfolio;
 - Ability to create value and realise a credible fund exit for capital partners;
 - Disciplined unlocking of capital for potential reinvestment into other growth sectors (>S\$2bn in net proceeds);
 - Improving portfolio capital efficiency by enhancing third-party capital participation from a reputable investor; and
 - Retaining asset management to generate recurring FRE for the portfolio
- Validates CapitaLand's credibility as a leading diversified real estate company in China, comprising a full-spectrum of real estate capabilities that includes fund and asset management. Enhanced by CapitaLand's successful registration as a domestic private equity fund manager, which will complement its existing offshore capital platforms such as CapitaLand China Trust and portfolio of private funds.
- Strong endorsement of the resilience and potential of the Group's retail network, reinforced by a complementary and rapidly growing digital platform (CapitaStar) with more than 13 million members in China.
- Brings the total capital recycled¹ across the Group to approximately S\$11.2bn YTD. This is more than three times the set annual target of S\$3bn.
- Portfolio gains generated will meaningfully support the Group's financial recovery in FY 2021.

Note:

1. Gross divestments on a 100% basis as at 28 Jun 2021

Glossary



Term	Definition
FRE	Fee Related Earnings; Refers to fund management and asset management related fee revenue from CLI's listed funds and unlisted funds (private funds and/or investment vehicles (including but not limited to programs, joint ventures and co-investments managed by our Group from time to time))
FUM	Funds Under Management; Refers to the share of total assets under CLI's listed funds and unlisted funds (private funds and/or investment vehicles (including but not limited to programs, joint ventures and co-investments managed by our Group from time to time))
RCCIV	Raffles City China Income Ventures Limited
RCCIP III	Raffles City China Investment Partners III
Senning	Senning Property Ltd.



Thank You

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