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NEWS RELEASE

CapitaLand achieved FY 2018 PATMI of S$1.76 billion, a year-on-year increase of 12.3%, and full-year ROE of 9.3%

- ***Proposes ordinary dividend of 12 Singapore cents per share***
- ***Proposed acquisition of Ascendas-Singbridge[1] to bring the Group into next phase of growth***

Singapore, 20 February 2019 – CapitaLand Limited achieved a total PATMI of S$1,762.5 million in FY 2018, 12.3% higher than PATMI for FY 2017 of S$1,569.6 million. It is the highest net profit recorded since 2008. The Group's return on equity (ROE) for FY 2018 grew to 9.3% from 8.6% in FY 2017.

Stronger recurring income from newly acquired and operational properties, higher contributions from residential projects in China and Vietnam, and higher gains from asset recycling and revaluation of investment properties contributed to CapitaLand's improved earnings in FY 2018. The Group continued to strengthen its asset mix through active portfolio reconstitution, divesting S$4.0 billion worth of assets and deploying S$6.11 billion into new investments in FY 2018.

For 4Q 2018, the Group achieved a PATMI of S$475.7 million, an increase of 71.2% as compared to 4Q 2017. The increase was underpinned by better operating performance, as well as higher gains from asset recycling and revaluation of investment properties. Operating PATMI for 4Q 2018 improved by 26.1% to S$213.8 million mainly attributed to higher contributions from residential projects in China, as well as newly acquired and operational properties.

Revenue for FY 2018 increased by 21.3% to S$5,602.4 million on account of contributions from newly acquired and operational properties in Singapore, China, Germany and the United States (U.S.), higher handover of units from residential projects in China and Vietnam, as well as the consolidation of revenue from CapitaLand Mall Trust (CMT), CapitaLand Retail China Trust (CRCT) and RCS Trust (RCST)[2].

For FY 2018, the Group achieved an EBIT of S$4,145.0 million, 25.5% or S$842.8 million higher as compared to the S$3,302.2 million for FY 2017. Singapore and China markets remain the key contributors to EBIT, accounting for 89.2% of total EBIT, up from 87.9% in FY 2017.

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[1] The proposed acquisition is subject to shareholders' approval at an extraordinary general meeting to be convened by 1H 2019.

[2] The Group consolidated CMT, CRCT and RCST into the Group's results with effect from August 2017. The consolidation of the three trusts increased the Group's revenue and EBIT by S$611.1 million and S$446.9 million respectively for FY 2018, offset by the absence of a re-measurement gain of S$12.0 million in FY 2017.

Financial highlights

	FY 2018 (S$ m)	FY 2017 (S$ m) (Restated)	Variance (%)	Variance (%) (Excluding gain from the sale of The Nassim)	4Q 2018 (S$ m)	4Q 2017 (S$ m) (Restated)	Variance (%)
Revenue	5,602.4	4,618.2	21.3	21.3	1,624.5	1,212.6	34.0
Earnings before interest and tax (EBIT)	4,145.0	3,302.2	25.5	32.0	1,132.2	743.4	52.3
Total PATMI	1,762.5	1,569.6	12.3	25.1	475.7	277.8	71.2
Operating PATMI[3]	872.2	927.2	(5.9)	13.8[4]	213.8	169.5	26.1

Mr Ng Kee Choe, Chairman of CapitaLand Limited, said: "CapitaLand has achieved good results amidst a challenging economic and market environment. This achievement is due primarily to our diversified asset base, disciplined approach in asset recycling and capital allocation, and strong operating expertise."

Mr Lee Chee Koon, President & Group CEO of CapitaLand Group, said: "While CapitaLand continues to leverage and strengthen our existing business and asset portfolio, we will seek out new growth drivers to bring us into the next phase of growth. In this regard, we have announced the proposed acquisition of Ascendas-Singbridge to create Asia's largest diversified real estate group with assets under management (AUM)[5] of over S$116 billion. The transaction will strengthen our presence and pipeline in our core markets – Singapore and China. It will give us immediate scale in new economy sectors such as logistics and business parks, and in growth markets such as India, the U.S. and Europe."

In Singapore, the Group replenished its residential pipeline with Pearl Bank Apartments and the Sengkang Central mixed-use site. It sold 99 residential units with a sales value of S$371 million in Singapore for FY 2018. CapitaLand also acquired a prime greenfield site to build lyf one-north in Singapore – its third property in the country under the coliving brand, lyf, targeted at the rising millennial segment. The Group also invested in coworking operator, The Work Project, to increase its presence in the flexible space sector.

In China, the Group acquired a mixed-use site in Guangzhou Science City and two residential sites in Guangzhou, as well as a mixed-use site in Chongqing to replenish its development pipeline. CapitaLand sold 4,938 residential units with a value of RMB 12.5 billion or approximately S$2.5 billion in FY 2018, compared to RMB 15.8 billion in sales value from 8,769 units registered in FY 2017. FY 2018 sales were mainly from La Botanica in Xi'an, Raffles City Residences in Chongqing, The Metropolis in Kunshan, La Riva and Citta Di Mare in Guangzhou,

[3] Operating PATMI refers to profit from business operations excluding any gains or losses from divestments, revaluations and impairments. Operating PATMI for FY 2017 included a gain of S$160.9 million from the sale of 45 units of The Nassim.
[4] Excluding the gain from the sale of The Nassim, operating PATMI for FY 2018 increased by 13.8% or S$105.9 million.
[5] Refers to the total value of all real estate managed by the Group's entities stated at 100% of property carrying value.

Vermont Hills in Beijing, Century Park East in Chengdu and the en-bloc sales of Skyline in Raffles City Chengdu. Approximately 92% of the Group's launched units have been sold. CapitaLand handed over a total of 6,857 units in FY 2018, compared to 6,125 units in FY 2017, mainly from Vermont Hills in Beijing, La Botanica in Xi'an, Citta Di Mare in Guangzhou and New Horizons in Shanghai. As at 31 December 2018, the Group has about 7,000 units[6] valued at approximately RMB 15.6 billion[7] that have been sold in China. Units worth about 70% of the sales value are expected to be handed over in FY 2019. CapitaLand also acquired Shanghai's tallest twin towers through a 50:50 joint venture between GIC and Raffles City China Investment Partners III (RCCIP III) fund, which will become the Group's third Raffles City integrated development in Shanghai.

The Group acquired residential sites in Ho Chi Minh City and Hanoi in Vietnam to further grow its land bank. For FY 2018, 1,102 residential units were sold in Vietnam with a sales value of S$346 million. The sales were mainly from De La Sol, Seasons Avenue and Vista Verde. As at 31 December 2018, 98% of the launched units in Vietnam have been sold. The Group handed over 1,422 units to homebuyers, mainly from Mulberry Lane and Seasons Avenue in Hanoi, and Vista Verde in Ho Chi Minh City. As at 31 December 2018, the Group has 2,465 units[6] valued at approximately S$745 million that have been sold in Vietnam. Units worth about 45% of sales value are expected to be handed over in FY 2019.

On the international front, the Group made its foray into the multifamily asset class with a portfolio of 16 multifamily properties in the U.S. and acquired its second commercial property in Germany, the Gallileo Grade A office building in Frankfurt. CapitaLand also bolstered its hospitality network and offerings by taking a stake in TAUZIA Hotel Management, one of Indonesia's top five hotel operators.

The Board is proposing a final ordinary dividend of 12 Singapore cents a share for FY 2018.

Please refer to the **Annex** for recent business highlights.

[6] Units sold include options issued as at 31 December 2018 as well as strata units in integrated developments, if applicable. The above data is on a 100% basis.
[7] Refers to value of residential units sold including value added tax.

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For the full CapitaLand Limited financial statement and presentation, please visit www.capitaland.com.

Annex

In China, CapitaLand clinched a prime mixed-use site in Guangzhou Science City, for RMB882 million (about S$175.2 million) in November 2018. The 4.7-hectare greenfield site in Huangpu District has a gross floor area (GFA) of 142,107 square metres (sq m) to be built and will comprise office, retail space and serviced residence as well as low-density strata offices. CapitaLand holds a 75% stake in the development with the remainder held by an unrelated third party. The development is targeted for completion by 2022. In the same month, CapitaLand, through Raffles City China Investment Partners III, formed a 50:50 joint venture with Singapore's sovereign wealth fund GIC to acquire Shanghai's tallest twin towers for an aggregate consideration of RMB12.8 billion (about S$2.54 billion). Currently under development in Hongkou District, the prime asset will become CapitaLand's third Raffles City integrated development in Shanghai, which will also be its ninth in China and 10th globally. In other parts of China, the Group opened CapitaMall ONE in Changsha and CapitaMall Tiangongyuan in Beijing in December with 95% and 97% occupancy respectively.

As it continues to drive fee income through its lodging business, the Group's wholly owned lodging business unit, The Ascott Limited (Ascott), formed a strategic alliance with one of Indonesia's top property developers – Ciputra Development Group (Ciputra) in November 2018. Under the alliance, Ascott will manage serviced residences to be developed by Ciputra in Indonesia and China within the next five years. The 253-unit Citadines Sudirman Jakarta, the first property under the alliance, will open in 2021. Ascott ended year 2018 with the signing of 26 properties in 18 cities, boosting its portfolio to more than 100,000 lodging units.

In creating fresh experiences for customers, CapitaLand announced in October 2018 that close to 90% of Jewel Changi Airport's retail space has been leased to date with unique experiential retail concepts, including several first-in-Singapore brands such as Shake Shack, Pokémon and Läderach ahead of its opening this year. The Group has also brought experiential shopping to Plaza Singapura with Singapore's first 'phygital' multi-label concept store NomadX. Opened in November 2018, the 11,000-square-foot space debuts physical outlets of online retailers including Alibaba's Taobao, Digital Fashion Week and Style Theory and offers experiences including a gamified onboarding process, automated store assistance such as smart mirrors, interactive product walls and cashless payment.

The Group also initiated its 'office of the future' strategy that involves integrating a building's conventional office space (core) and flexible space (flex) – of which coworking space is one of the types – into an ecosystem of innovative workplace solutions that are community-driven, tech-enabled and provide value-add for all tenants. Capital Tower and Asia Square Tower 2 will be the first two office buildings in Singapore to embrace CapitaLand's core-flex offerings. To effectively operate the flexible spaces and tap on the growing pool of coworking tenants, CapitaLand has invested S$27 million for a 50% stake in coworking operator, The Work Project.

Attesting to its commitment to sustainability, CapitaLand secured a S$300 million multi-currency sustainability-linked loan from DBS Bank in October 2018. The five-year term loan and revolving credit facility is the first and largest sustainability-linked loan in Asia's real estate sector. It is also Singapore's largest sustainability-linked financing provided by a sole lender. The loan is explicitly linked to CapitaLand's listing on the Dow Jones Sustainability World Index, which tracks the performance of the world's leading companies in environmental, social and governance efforts.