CapitaLand In China

Sept 2008
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.
CapitaLand Group

- One of Asia’s largest listed real estate company
- Presence spanning more than 120 cities in over 20 countries
- Our Business Focus:

<table>
<thead>
<tr>
<th>Real Estate</th>
<th>Hospitality</th>
<th>Financial Services</th>
<th>REITs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Investment &amp; Development Projects</td>
<td>Serviced Residences</td>
<td>Real Estate Financial Services</td>
<td>Real Estate Investment Trusts</td>
</tr>
<tr>
<td>Real Estate Services</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


CapitaLand Group comprises 7 listed Companies with total Market Capitalisation of S$21.2 billion (12 Sept 08)

- Other Listed Entities
  - * Integrated, Leisure, Entertainment & Conventions
  - ** CL completed compulsory acquisition of The Ascott Group on 28 April 2008
Our Strengths

- Strong Financials
- Business Model: Focus on Capital Productivity
- Balance: Multi-Geography, Multi-Sector
- Good Access to Capital Markets
- Stable Income Stream
- Disciplined Risk Management
## Strong Financials

### Balance Sheet Strength

<table>
<thead>
<tr>
<th>Financial Position</th>
<th>1H 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity (S$ billion)</td>
<td>12.0</td>
</tr>
<tr>
<td>Cash (S$ billion)</td>
<td>3.4*</td>
</tr>
<tr>
<td>Net Debt (S$ billion)</td>
<td>8.2</td>
</tr>
<tr>
<td>Net Debt / Equity</td>
<td>0.68*</td>
</tr>
<tr>
<td>% Fixed Rate Debt</td>
<td>76%</td>
</tr>
<tr>
<td>Avg Debt Maturity (Yr)</td>
<td>4.35</td>
</tr>
</tbody>
</table>

* Presented figures above exclude the following recent recycled capital of S$2.9 billion (1George Street, Raffles City projects, Capital Tower Beijing, Citibank Menara and Somerset Orchard). On a proforma basis, assuming these were completed on 30 June 2008 and all things being equal, the Group’s Net Debt / Equity ratio would have been 0.43.

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## Business Model: Focus on Capital Productivity

<table>
<thead>
<tr>
<th>Stage</th>
<th>Risks</th>
<th>Value Added</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Purch.</td>
<td>Market Risk</td>
<td>HIGHER VALUE ADDED</td>
</tr>
<tr>
<td></td>
<td>Liquidity Risk</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Completion Risk</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Funding</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Design &amp; Approval</td>
<td></td>
</tr>
<tr>
<td>Approvals</td>
<td>Market Risk</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Liquidity Risk</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>Market Risk</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Liquidity</td>
<td></td>
</tr>
<tr>
<td>Leasing</td>
<td>Market</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Liquidity</td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>Market</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Liquidity</td>
<td></td>
</tr>
<tr>
<td>Investment</td>
<td>Market</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Liquidity</td>
<td></td>
</tr>
</tbody>
</table>

- Don’t Land Bank
- Stabilized Assets
Capital Efficient Structure

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Purchaser of Stabilized Assets

Self Liquidating Assets

17 Private Equity Funds

5 REITS: S$16 B (76% of AUM)

PE Funds: S$5 B (24% of AUM)

17 Private Equity Funds

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Balance: Multi-Geography

Total Assets 1H’08 – S$27.1 billion

- Singapore: $10.9B, 40%
- Australia & NZ: $5.3B, 20%
- China*: $7.4B, 27%
- Asia/GCC**: $2.1B, 8%
- Europe: $1.3B, 5%
- Balance: Multi-Geography

EBIT 1H’08 – S$1,286 million

- China*: $533M, 41%
- Singapore: $591M, 46%
- Australia & NZ: $78M, 6%
- Asia/GCC**: $50M, 4%
- Europe: $35M, 3%
- Balance: Multi-Geography

* China including Macau & Hong Kong  ** Excludes Singapore & China
Balance: Multi-Sector

Total Assets 1H’08 – S$27.1 billion

- S’pore Residential: $1.9B, 7%
- Commercial: $4B, 15%
- Retail: $5B, 19%
- Financial Svcs: $0.3B, 1%
- Ascott: $3.4B, 13%
- Others^: $7.9B, 29%
- CapitaLand China*: $$4.5B, 17%

EBIT 1H’08 – S$1,286 million

- S’pore Residential: $89M, 7%
- Commercial: $318M, 25%
- Retail: $241M, 19%
- Financial Svcs: $42M, 3%
- Ascott: $57M, 5%
- Others^: $100M, 8%
- CapitaLand China*: $439M, 34%

^ Includes Cash, Australand and Corporate Office
* China including Macau & Hong Kong
Good Access to Capital Markets

Debt Market

<table>
<thead>
<tr>
<th>Trust</th>
<th>Deed</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CapitaLand</td>
<td>Development Loan</td>
<td>S$1,996 mil</td>
</tr>
<tr>
<td></td>
<td>Convertible Bond</td>
<td>S$1,300 mil</td>
</tr>
<tr>
<td>CapitaMall Trust</td>
<td>Medium Term Notes</td>
<td>S$150 mil</td>
</tr>
<tr>
<td></td>
<td>Convertible Bond</td>
<td>S$650 mil</td>
</tr>
<tr>
<td>CapitaCommercial Trust</td>
<td>Convertible Bond</td>
<td>S$370 mil</td>
</tr>
<tr>
<td></td>
<td>2-Yr Committed Secured Loan</td>
<td>S$650 mil</td>
</tr>
<tr>
<td></td>
<td>Medium Term Notes</td>
<td>S$85 mil</td>
</tr>
<tr>
<td></td>
<td>Medium Term Notes</td>
<td>S$250 mil</td>
</tr>
<tr>
<td>CapitaRetail China Trust</td>
<td>Share Placement</td>
<td>S$182 mil</td>
</tr>
<tr>
<td></td>
<td>Term Loan</td>
<td>S$100 mil</td>
</tr>
</tbody>
</table>

Raised >S$5 billion YTD

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Private Equity and REITS

AUM of S$21.1b at 1H’08

GCC (1)
- Raffles City Bahrain Fund

Pan-Asian (3)
- Ascott Reit
- IP Property Fund
- CapitaLand AIF

India (1)
- CapitaRetail India Devt Fund

Malaysia (3)
- QCT
- Mezzo Capital
- Malaysia Commercial Development Fund

Singapore (2)
- CMT
- CCT

Japan (2)
- CapitaRetail Japan Fund
- Arc-CapitaLand Residences Japan

China (10)
- created 3 new funds
  - CITIC CapitaLand Business Park Fund
  - Raffles City China Fund
  - CapitaLand China Development Fund II
  - CRCT
  - CapitaRetail China Development Fund
  - CapitaRetail China Devt Fund II
  - CapitaRetail China Incubator Fund
  - CapitaLand China Development Fund
  - CapitaLand China Residential Fund
  - Ascott China Fund

India (1)
- CapitaRetail India Devt Fund

Pan-Asian (3)
- Ascott Reit
- IP Property Fund
- CapitaLand AIF

Japan (2)
- CapitaRetail Japan Fund
- Arc-CapitaLand Residences Japan

Singapore (2)
- CMT
- CCT

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Stable Income Stream

Strong Development Profits + Stable Fee Income

- Investor
- Fund Manager
- Financial Advisor
- Operator
- Manager
- Developer
- DPU

- Development Profits
- Fund Mgmt / Acquisition Fee
- Advisory Fee
- Property Mgmt Fee
- Asset Mgmt Fee
- Project Mgmt Fee
Disciplined Risk Management

Corporate Governance

Audit Board Committee

Council of CEOs

President & CEO

Risk Board Committee

CFO

Internal Audit

Risk Assessment Group (RAG)

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Disciplined Risk Management

Proprietary Risk Model

Target Return = WACC + Risk Premiums

- Risks included in Weighted Average Cost of Capital (WACC)
  - Operational Risk
  - Physical Real Estate Risk
  - Liquidity Risk
  - Legal & Regulatory Risk
  - Other Project Specific Risks

Matrix of over 70 target returns across all property sectors and countries

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Disciplined Risk Management

Risk Adjusted Capital Allocation

* Before 1H2007, includes HK, India, Vietnam, Malaysia, Thailand and Japan
From 1H2007, includes Vietnam, Thailand, Malaysia, GCC, Japan, The Philippines, and Indonesia (HK is part of China from 1H2007)

CapitaLand Presentation *Sept 2008*
<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>1H2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBIT (1st Half Results)</strong></td>
<td>S$364m</td>
<td>S$1,287m</td>
</tr>
<tr>
<td><strong>Overseas EBIT Contribution</strong></td>
<td>23% (S$173m)</td>
<td>54% (S$696m)</td>
</tr>
<tr>
<td><strong>No. of Cities</strong></td>
<td>33</td>
<td>&gt;120</td>
</tr>
<tr>
<td><strong>Listed REITS &amp; RE Funds</strong></td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td><strong>Assets Under Management</strong></td>
<td>S$265m</td>
<td>S$21b</td>
</tr>
<tr>
<td><strong>No. of Retail Malls</strong></td>
<td>7</td>
<td>115</td>
</tr>
<tr>
<td><strong>Units of Serviced Residences</strong></td>
<td>6,000</td>
<td>22,000</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>1.5%</td>
<td>15.0%</td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td>S$879m</td>
<td>S$3.4b</td>
</tr>
<tr>
<td><strong>Net Debt / Equity</strong></td>
<td>0.92x</td>
<td>0.68x</td>
</tr>
<tr>
<td><strong>Interest Cover Ratio</strong></td>
<td>1.8</td>
<td>3.2</td>
</tr>
</tbody>
</table>
China – The Economic Champion

Real GDP Growth (2003 - 2011)

2008 Growth Outlook
- Weaker export demand
- Investment still strong
- Robust consumption demand

Source: EIU & CapitaLand Research
### Top 10 Largest World’s Economy (At PPP)

<table>
<thead>
<tr>
<th>Rank</th>
<th>2007</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>U.S. (USD 14 trillion)</td>
<td>China</td>
</tr>
<tr>
<td>2</td>
<td>China (USD 7 trillion)</td>
<td>U.S.</td>
</tr>
<tr>
<td>3</td>
<td>Japan (USD 4 trillion)</td>
<td>India</td>
</tr>
<tr>
<td>4</td>
<td>India (USD 3 trillion)</td>
<td>Japan</td>
</tr>
<tr>
<td>5</td>
<td>Germany</td>
<td>Germany</td>
</tr>
<tr>
<td>6</td>
<td>United Kingdom</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>7</td>
<td>Russia</td>
<td>Russia</td>
</tr>
<tr>
<td>8</td>
<td>France</td>
<td>France</td>
</tr>
<tr>
<td>9</td>
<td>Italy</td>
<td>Brazil</td>
</tr>
<tr>
<td>10</td>
<td>Brazil</td>
<td>Italy</td>
</tr>
</tbody>
</table>

Source: CIA, EIU & CapitaLand Research

* PPP (Purchasing Power Parity)
Healthy Private Consumption

Retail sales to grow at 13.5% p.a. (2006 – 2012)

Source: EIU & CapitaLand Research
China – Strong FDI Destination

Actural FDI inflow, US$ billion (2007)

- U.S.: 199.3
- UK: 186.1
- China: 85.4
- Russia: 55.0
- Singapore: 25.0
- Australia: 20.0
- India: 18.9
- UAE: 10.5
- Malaysia: 8.6
- Thailand: 8.2

Source: EIU & CapitaLand Research

China's FDI Inflow

EIU Forecast
Average 2008-12: US$92.4b
Fast Forward to the Future – China’s Urbanization in 2025

350 million
will be added to China’s urban population by 2025—more than the population of today’s United States

1 billion
people who will live in China’s cities by 2030

221
Chinese cities will have one million + people living in them—Europe has 35 today

Source: McKinsey & CapitaLand Research
Six New Megacities will Emerge by 2020 (> 10 million population)

2005 Megacities
- Beijing
- Shanghai

2025 Megacities
- Beijing
- Shanghai
- Tianjin
- Shenzhen
- Wuhan
- Chongqing
- Chengdu
- Guangzhou

Source: McKinsey & CapitaLand Research
The Emergence of a Middle Class

2008: 40% Middle Class (200 million)
2015: 70% Middle Class (360 million)

Share of urban households by income class, %

- Two distinct growth waves. The **first wave**, in 2010, will be the **lower middle class**.
- The **second wave** would be the **upper middle class**.

Improving Housing Affordability
Nation-wide Demand & Supply – Equilibrium

Figure 15: Private residential housing—supply, demand and price

Source: CEIC & JP Morgan
Government’s Recent Positive Measures

- Government policies shift towards growth over inflation
  - 27bp cut in PBOC interest rate
  - CPF loan rate for home buyers cut by 18bp
  - Reserve Requirement Ratio of smaller banks reduced by 1% to 16.5%

- Intention to allow Insurance funds to invest in real estate
CapitaLand China Holdings
CapitaLand’s presence

⇒ Started in 1994, we now have over 4,300 staff over 40 Chinese cities. (as at 28 May, 2008)

⇒ Total project development expenditures >S$ 9 billion (as of 28 May, 2008)
Residential

Balanced portfolio across regions

- Central China (Henan) GFA 2.18m unsold
- Yangtze River Delta (Shanghai) Total GFA 0.72m Unsold GFA 0.23m
- Bohai Economic Rim (Beijing) GFA 0.56m unsold
- Pearl River Delta (Guangzhou) GFA 0.66m unsold
- Southwest China (Chengdu) GFA 1.25m unsold
- Others* GFA 0.26m unsold

*Others: Lai Fung Holdings (20%)

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Residential

**Our Position**

- **Just in time approach business model**
  - No land banking

- **Sufficient pipeline for next two years**
  - Current inventory: ~5m sqm GFA
  - Inventory net of sold units in coastal region ~1.44m sqm

- **Opportunity to replenish land bank**
  - Opportunities emerging at coastal cities
Central China Real Estate

Strong 1H2008 Performance

Revenue (locked-in 59% of target sales)

Net Profit (forecast on track)

ASP (up 21.6% y-o-y)

Gross Profit Ratio

Central China Real Estate

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Central China Real Estate

- Leading residential property developer in Henan Province
- *16 year track record* of developing mid- to high-end residential homes
- Focused Provincial Strategy
- Strategic Investor: CapitaLand holds 27.1%
- Plan GFA: GFA 7.8m sqm
  - 1.3m sqm under development
  - 4.7m sqm for future development
  - 1.8m sqm land use rights pending
- Net debt to equity: *5.9%* as at June 30th, 2008
- Successful Product Series: The “Forest Peninsula” and “Green Garden”
Forged Strategic Partnerships with:

**SZITIC**
Jointly develop and manage Wal-Mart anchored malls; ROFR to acquire 70% of these malls up to the Year 2010

**Beijing Hualian Group**
ROFR to acquire BHG anchored malls

**Vanke Group**
Jointly develop and CRTL to acquire retail assets located in Vanke’s townships

Information as at 30 June 2008
## Retail - Structure

<table>
<thead>
<tr>
<th>CapitaRetail China Development Fund I &amp; II (~US$1.2bil of committed equity raised)</th>
<th>CapitaRetail China Incubator Fund (US$425mil of committed equity raised)</th>
<th>CapitaLand Retail Limited</th>
<th>CRCT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Status</strong></td>
<td><strong>Asset Value (S$)</strong></td>
<td><strong>Funds Exposure (S$)</strong></td>
<td><strong>Gross Rentable Area (sqm)</strong></td>
</tr>
<tr>
<td>Approval obtained from Chinese Authorities</td>
<td>4.1 billion</td>
<td>3.4 billion</td>
<td>2.5 million</td>
</tr>
<tr>
<td>Pending approval from Chinese Authorities</td>
<td>3.9 billion</td>
<td>2.5 billion</td>
<td>1.0 million</td>
</tr>
<tr>
<td>Total Committed</td>
<td>8.0 billion</td>
<td>5.9 billion</td>
<td>3.5 million</td>
</tr>
<tr>
<td>Under MOUs</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8.0 billion</td>
<td>5.9 billion</td>
<td>3.5 million</td>
</tr>
</tbody>
</table>

Information as at 22 February 2008

CRCT enjoys rights of first refusal to a proprietary and secured pipeline of assets held by CapitaLand-sponsored funds and CapitaLand Retail

As at 30 June 2008 -
Number of operational malls : 25
Target opening in 2008 : 7
Target opening in 2009 : 17
Commercial

Locking in Values

Capital Tower Beijing
- Divestment profit of S$163m
- Net cash inflow of S$498m

4 Raffles City Projects
- Divestment profit of S$183m
- Net cash inflow of S$1,149m

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## Commercial

### Pipeline of more than 1,220,000 sqm

<table>
<thead>
<tr>
<th>Projects</th>
<th>Location</th>
<th>Completion Time</th>
<th>GFA (sqm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raffles City Shanghai*</td>
<td>Huangpu District, SH</td>
<td>Dec 2003</td>
<td>133,000</td>
</tr>
<tr>
<td>Raffles City Beijing</td>
<td>Dongcheng District, BJ</td>
<td>2008</td>
<td>97,665</td>
</tr>
<tr>
<td>Raffles City Chengdu</td>
<td>South Renmin Road, CD</td>
<td>2010</td>
<td>195,431</td>
</tr>
<tr>
<td>Raffles City Hangzhou</td>
<td>Qianjiang New Town, HZ</td>
<td>2011</td>
<td>283,568</td>
</tr>
<tr>
<td>Capital Plaza</td>
<td>Jiangbei District, NB</td>
<td>2010</td>
<td>97,941</td>
</tr>
<tr>
<td>Daning Project</td>
<td>Zhabei District, SH</td>
<td>2009</td>
<td>71,086</td>
</tr>
<tr>
<td>Wenjiang 110</td>
<td>Wenjiang District, CD</td>
<td>TBC</td>
<td>73,647</td>
</tr>
<tr>
<td>Floraland Phase II</td>
<td>Wenjiang District, CD</td>
<td>2014</td>
<td>402,103</td>
</tr>
<tr>
<td><strong>Total projects</strong></td>
<td></td>
<td></td>
<td><strong>1,354,441</strong></td>
</tr>
</tbody>
</table>

* Completed project
Funds – 3 Residential China Funds

Committed Equity of S$966m

- CapitaLand China Residential Fund: S$83m
- CapitaLand China Development Fund: S$547m
- CapitaLand China Development Fund II: S$336m
Funds – 4 Retail China Funds

3 Retail Funds & 1 REIT : S$3.5 Billion

- CapitaRetail China Trust : S$1,156m
- CapitaRetail China Development Fund : S$821m
- CapitaRetail China Development Fund II : S$900m
- CapitaRetail Incubator Fund : S$581m

Changsha, Hunan
Jiangbin Mall, Quanzhou
Danshui Mall, Huizhou
Funds - Raffles City China Fund

4 Raffles City Projects in Gateway Cities

● CapitaLand’s first integrated development private equity fund in China
  — Invest in prime mixed-use commercial properties in key gateway cities
● Successfully raised US$1.0 billion
● Largest fund originated and managed by CapitaLand
● 4 seed assets from CapitaLand (total consideration: US$841 million)

Raffles City Shanghai
Raffles City Beijing
Raffles City Chengdu
Raffles City Hangzhou
Funds – 1st RMB Commercial Fund

- CITIC CapitaLand Business Park Fund (CCBPF): RMB500m
  - Seed asset: CapitaLand’s IBM China Centre, Beijing

Tap On Domestic Liquidity
Ascott – Major Player in China

- Largest international serviced residence owner-operator
- Operate 25 properties with more than 4,400 units in China
- Portfolio spans 12 cities across China

2010 Target
10,000 units in China

Cities with an Ascott presence
New cities Ascott expects to expand into
Going Forward

- China’s fundamentals remain strong
  - High GDP growth and strong FDI
  - High urbanization
  - Growing middle class and healthy housing affordability

- Positioned to tap on market dislocation
  - Strong financial standing of the Group
  - Limited unsold GFA
  - To seek opportunities at coastal cities

- Strong on-the-ground execution capability
  - Management bench strength
  - Track record of delivering quality product on time and within budget
Thank You