CapitaLand in China

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Deputy Chairman CapitaLand China Executive Committee (CCEC)

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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.
Contents

- CapitaLand Group
- CapitaLand’s China Presence
- Future Prospects
- CSR
- Conclusion
CapitaLand Group
One of Asia’s Largest Real Estate Companies

Operations span about 120 cities in over 20 countries

The Group owns/manages more than S$46 billion of assets, including over S$25 billion in 5 REITs and 17 private equity real estate funds.
Guided by a sound Corporate Strategy

FOCUS
- Core real estate sectors

BALANCE
- Product type
- Product mix
- Geographical spread

SCALE
- Economies of scale
- Partnership attraction
- Product innovation
Multi Sector, Multi Geography

Real Estate
- Australia
- Residential S'pore
- China
- Retail
- Commercial
- Integ. Leisure, Entertainment & Conventions

Hospitality

Financial Services

REITs
- Serviced Residences
- Financial
- 17 Private Equity Real Estate Funds

7 Listed Companies
Total Group Market Cap S$26.16 Billion (31 July 2009)
Complete Real Estate Value Chain
Unique Business Model: Focus on Capital Productivity

- Land Purch.
- Approvals
- Construction
- Leasing
- Operating
- Investment

Market Risk
Liquidity Risk
Completion Risk
Funding
Design & Approval
REAL ESTATE ASSET VALUE

Market Risk
Liquidity
Completion
Funding

Market
Liquidity

Stabilized Assets

HIGHER VALUE ADDED
Leading Asia Based Real Estate Fund Manager

- Total Assets Under Management over S$25 billion
- Comprising 5 REITS and 17 Private Equity Funds

<table>
<thead>
<tr>
<th>Countries</th>
<th>No. of Funds</th>
<th>No. of REITs</th>
<th>PE Funds (S$ billion)</th>
<th>REITS (S$ billion)</th>
<th>Total AUM (S$ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>14.0</td>
<td>14.0</td>
</tr>
<tr>
<td>China</td>
<td>9</td>
<td>1</td>
<td>6.1</td>
<td>1.2</td>
<td>7.3</td>
</tr>
<tr>
<td>Pan-Asian</td>
<td>2</td>
<td>1</td>
<td>0.2</td>
<td>1.6</td>
<td>1.8</td>
</tr>
<tr>
<td>Japan</td>
<td>2</td>
<td>-</td>
<td>1.3</td>
<td>-</td>
<td>1.3</td>
</tr>
<tr>
<td>Malaysia</td>
<td>2</td>
<td>1</td>
<td>0.2</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td>GCC</td>
<td>1</td>
<td>-</td>
<td>0.4</td>
<td>-</td>
<td>0.4</td>
</tr>
<tr>
<td>India</td>
<td>1</td>
<td>-</td>
<td>0.2</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>17</strong></td>
<td><strong>5</strong></td>
<td><strong>8.4</strong></td>
<td><strong>17.2</strong></td>
<td><strong>25.6</strong></td>
</tr>
</tbody>
</table>
## 2000 to 2008: Business Transformation

<table>
<thead>
<tr>
<th>Metric</th>
<th>2000</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Under Management</td>
<td>S$2.9b</td>
<td>S$5.9b</td>
</tr>
<tr>
<td>Overseas EBIT Contribution</td>
<td>23% = S$173m</td>
<td>60% = S$1,323m</td>
</tr>
<tr>
<td>No. of Cities</td>
<td>33</td>
<td>123</td>
</tr>
<tr>
<td>Listed REITs &amp; RE Funds</td>
<td>1</td>
<td>22</td>
</tr>
<tr>
<td>Assets Under Management</td>
<td>S$265m</td>
<td>S$25.9b</td>
</tr>
<tr>
<td>No. of Retail Malls (Optg+Pipeline)</td>
<td>7 (7+0)</td>
<td>95 (54+41)</td>
</tr>
<tr>
<td>Units of Serviced Residences</td>
<td>about 6,000</td>
<td>about 25,000</td>
</tr>
</tbody>
</table>
# 2000 to 2008: Financial Strength

<table>
<thead>
<tr>
<th>Metric</th>
<th>2000</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>S$754m</td>
<td>S$2,214m</td>
</tr>
<tr>
<td>PATMI</td>
<td>-S$287m</td>
<td>S$1,260m</td>
</tr>
<tr>
<td>ROE</td>
<td>1.5%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Cash</td>
<td>S$879m</td>
<td>S$4.2b</td>
</tr>
<tr>
<td>Net Debt / Equity</td>
<td>0.92x</td>
<td>0.47x</td>
</tr>
<tr>
<td>Interest Cover Ratio</td>
<td>1.8</td>
<td>5.0</td>
</tr>
</tbody>
</table>

Total Profits After Tax and Minorities (2000 to 2008) = S$5.9 billion
8 Year Journey to Leading Franchise

Market Leadership

Geographical Footprint

Financial Strengths

Leverage on Winning Competencies

Seize Opportunities

In Asia
- One of Asia’s LARGEST Real Estate Companies

In China
- LEADING Foreign Real Estate Developer In China
- LARGEST Retail Mall Owner/Manager In Asia
- LARGEST International Serviced Residence Owner-Operator

Shopping Malls

Serviced Residences

REITS/PE Funds

About 120 Cities in Over 20 Countries

Strong Liquidity

Low Leverage

Complete Real Estate Value Chain
We are an investor, developer, operator, manager, and financial adviser, in a complete value-chain proposition

Growth in Asia

Strategic Partnerships

Undervalued Quality Assets

CapitaLand Presentation *Aug 2009*
CapitaLand’s China Presence
CapitaLand China has been a long-term developer of premier residences and commercial properties for over 15 years with the presence across China which measures over 5.7 million sq.m in gross floor area.

- 2009: TOP 500 Real Estate Developers
- 2008: Outstanding Corporate Citizen of China
- 2007: Best Corporate Citizen in Real Estate Industry
- 2005: Best employer by Watson Wyatt Worldwide and Fortune China
- 2003: Best employer by Watson Wyatt Worldwide and Fortune China
CapitaLand's China Portfolio

- **Residential**: 20 projects, 20,000 units, with total GFA of 3,000,000 sq.m
  
  * Proportionate stake of 2,300,000 sq.m under strategic investments.

- **Commercial**: 10 projects, with total GFA of 1,300,000 sq.m

- **Retail**: 58 malls, with total GRA of 3,800,000sq.m

- **Service Residences**: 5,300 units

- **Financial Service**: 9 private funds & 2 REITs with China business coverage
Growing Asset Base in China

* 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 *Aug 2009*
China’s contribution to the Group

EBIT contribution by CapitaLand’s China business

China’s proportion of Group EBIT increased from 10.5% in 2002 to 45% in 2008
China Residential

- Completed and sold over 12,000 homes
- Pipeline of over 5 million* sqm of GFA to be built into homes in the Bohai Economic Rim Region, Yangtze River Delta, Pearl River Delta, South-western and Central China

CCH’s residential landbank under management

<table>
<thead>
<tr>
<th>Region</th>
<th>GFA (sqm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southwest China (Chengdu)</td>
<td>0.43m</td>
</tr>
<tr>
<td>Pearl River Delta</td>
<td>0.59m</td>
</tr>
<tr>
<td>Bohai Economic Rim (Beijing)</td>
<td>0.38m</td>
</tr>
<tr>
<td>Yangtze River Delta</td>
<td>0.51m</td>
</tr>
<tr>
<td>Total GFA</td>
<td>1.7 million^</td>
</tr>
<tr>
<td>CCH’s Share</td>
<td>1.1 million</td>
</tr>
</tbody>
</table>

^ Inclusive of JVs and proportionate stakes in Strategic Investments
^ Excludes ZXCL JV and proportionate stakes in Strategic Investments (CCRE and LF)
China - Raffles City

- Originated from Singapore in 1986
- Integrated development comprising residential, serviced residences, retail, office and entertainment facilities
- Innovative design by renowned architects
- Established Raffles City China Fund with fund size of US$1 billion. It has invested in 4 Raffles City projects in Shanghai, Beijing, Chengdu and Hangzhou
58 malls in the pipeline across 40 cities in China
- 31 completed malls
- 20 malls under construction with 7 to be completed by end 2009

<table>
<thead>
<tr>
<th>No. of malls</th>
<th>Anchor tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
<td>Wal-Mart</td>
</tr>
<tr>
<td>18</td>
<td>BHG</td>
</tr>
<tr>
<td>5</td>
<td>Carrefour</td>
</tr>
<tr>
<td>1</td>
<td>Tesco</td>
</tr>
<tr>
<td>1</td>
<td>E-mart</td>
</tr>
</tbody>
</table>

- CapitaRetail China Trust (CRCT)
- Assets in the pipeline
Ascott in China

- World’s largest international serviced residence owner-operator
- 26 projects, 5,300 units in China
CapitaLand China Executive Committee ("CCEC")

- Better co-ordinate and align investments, operations, branding and resources in China
- Spearhead the growing businesses in China
Future Prospects
China’s Real Estate Drivers
“Strong Dragon – Resilient Internal Strength”

- Strong Urbanisation (15 mil per year) & Rising Middle Class & New Rich (Generation A)
- Strong Sustainable Economy, FDI & Domestic Savings
- Infrastructure (Efficient & World Class)
- Political Competence

China’s real estate market

Strong fundamentals underpin real estate demand

- Strong urbanization trends
  - Massive room for urbanization
  - 6 new megacities by 2020

- Relatively high economic growth

Urban percentage of population (Year 2008)

<table>
<thead>
<tr>
<th>Country</th>
<th>Urban Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>100%</td>
</tr>
<tr>
<td>Australia</td>
<td>89%</td>
</tr>
<tr>
<td>Bahrain</td>
<td>89%</td>
</tr>
<tr>
<td>USA</td>
<td>82%</td>
</tr>
<tr>
<td>UAE</td>
<td>78%</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>82%</td>
</tr>
<tr>
<td>Russia</td>
<td>73%</td>
</tr>
<tr>
<td>Europe</td>
<td>72%</td>
</tr>
<tr>
<td>Japan</td>
<td>67%</td>
</tr>
<tr>
<td>China</td>
<td>43%</td>
</tr>
<tr>
<td>Thailand</td>
<td>33%</td>
</tr>
<tr>
<td>India</td>
<td>30%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>28%</td>
</tr>
</tbody>
</table>

Real GDP Growth (2003 – 2011)

Fast Recovery of Residential Market

Aggregate of CCH’s primary markets

- Credit tightening
  - Interest rates
  - Reserve requirement
- Property tightening measures

- Credit loosening
- Property revival measures

Data includes only normal housing + villa. Excludes all forms of economic, social and relocation housing
Sources: E-house CRIC and CCH Corporate Planning

4 trillion stimulus package (8 Nov 2008)

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Residential Affordability Improved

Affordability improved to ~25% compared to pre-crisis level of >35%

Assumptions: (1) Price data from NDRC based on 70 cities; (2) Loan term of 20 years; (3) Mortgage rate of 5.94%; (4) Loan to value ratio of 0.7; *Affordability ratio is calculated by dividing monthly mortgage installment by monthly household income, a lower figure denotes better housing affordability
Organised Retail versus Traditional Retail

- India: 96% Organised, 4% Traditional
- China: 80% Organised, 20% Traditional
- Thailand: 40% Organised, 60% Traditional
- Malaysia: 45% Organised, 55% Traditional
- Singapore: 35% Organised, 65% Traditional
- US: 85% Organised, 15% Traditional

Source: Ernst & Young & CapitaLand Research
Building Talents

- **Talents Cultivation**
  - 5,000 staff in China, 97% local staff and 3% international staff (including Singaporean)
  - High-quality talents cultivation through a comprehensive structural training program

- **Management and Operational excellence with sound business model**
  - Ascott
  - Raffles City
Corporate Philanthropy – CapitaLand Hope Schools

- 10 CapitaLand Hope Schools in China (Yunnan, Sichuan, Guangdong)
- The CapitaLand Green Hope School in Leshan, Sichuan province is the first Green Hope School in China. The blueprint comes from the winning design of “CapitaLand Green Hope School Design Competition”.

CapitaLand Presentation *Aug 2009*
Corporate Philanthropy – Visits to Hope Schools

- Mr. Liew with children
- Launch of Shanghai CapitaLand Huangmaoling Hope School
- Volunteers with children
- Mr. Goh Chok Tong witnessed the launch of two hope schools
- Distribute the book “For A Better Tomorrow”
- The visit at 5·12 Earthquake anniversary
Conclusion
Our Competitive Edge in China

15 years head start

● Details and design

● Capital management

● International experience which can be transplanted cross border
  — Eg. Four Seasons Hotel in Canary Riverside concept in London replicated to other projects in Asia
Our China Strategy – Investing for Growth

• Positioned to grow China franchise
  – RMB25 billion Group credit limit allocation from BOC and ICBC

• Residential
  – Impending launches in Beijing, Ningbo, Foshan and Chengdu
  – Expect to sell over 2,000 homes in 2009
  – Replenish quality land at attractive values

• Integrated development
  – 5 Raffles City developments: 2 operational and 3 under different stages of construction
Our China Strategy – Investing for Growth (cont’d)

• Retail
  – Rolling out the pipeline of 58 malls
  – 7 more malls to be completed by end-2009

• Serviced Residences
  – 19 operating properties in China with 2 more opening in 2H’09
  – Reconstitute and upgrade of portfolio
  – Secure more management contracts to build franchise
China Growth Strategy – 2 Prong Approach

**Organic Growth**
S$6.1 billion (US$4.2 billion) or 27% of Group’s Assets currently in China

China business to hit ~45% (~US$8 billion) of Group’s Assets

**Growth Through Fund Management**
9 PE Funds + 1 REIT currently:
AUM S$7.3 billion (US$5 billion)
Questions