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.
Why China?
China is now the 2\textsuperscript{nd} largest economy in the world.

<table>
<thead>
<tr>
<th>Countries</th>
<th>2000</th>
<th>2Q 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>China</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Japan</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Germany</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: IMF
... & the outlook is positive

- IMF forecast 10.5% GDP growth (2010 full year)

Source: CEIC
Real estate fundamentals underpinned by…
China’s household savings rate has been growing as income levels rise.

**Note:** China’s household savings defined as (urban disposable income per capita – urban consumption expenditure per capita)

Source: Bloomberg and CEIC
…strong urbanization driving demand for urban housing…

- China’s urbanization rate far below other developed countries
- Rapid growth would put pressure on demand for urban housing

Source: United Nations Population Division
..improving transportation & accessibility creates new economic hubs...

China is expected to shrink to 9% of its original size by 2014 (by travel time)

2010

High Speed Rail Network: 5,692 km
China to shrink to 80% of original size

2012

High Speed Rail Network: 13,488 km
China to shrink to 50% of original size

2014

High Speed Rail Network: 28,539 km
China to shrink to 9% of original size

Source: MOR, IILF

Note: Size excludes Tibet, Xinjiang, Qinghai and Inner Mongolia which account for only 5% of China’s population and lack extensive HSR coverage
...domestic consumption is rising

Annual Consumption Expenditure (Urban) per Capital RMB

Source: CEIC & EIU (forecast)
Positive on China

• We are a long term investor in China

• Rapid urbanisation and the huge demand for housing will continue to underpin the market for a long time to come

• “Aggressive yet disciplined approach”
Really…is there a property bubble in China?
Disposal income and house price tracks GDP growth

Source: CEIC

Nominal GDP
Urban disposable income per capita
Nationwide Commodity Building (Residential) Selling Price

Index (2003 = 1.0)

Source: CEIC
China’s household income growth outpaced house price growth...

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<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Cumulative household income growth (%)</td>
<td>82</td>
<td>48</td>
<td>36</td>
<td>155</td>
</tr>
<tr>
<td>Cumulative house price growth (%)</td>
<td>72</td>
<td>114</td>
<td>220</td>
<td>190</td>
</tr>
<tr>
<td>Average household income growth (%)</td>
<td>16.4</td>
<td>4</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>Average house price growth (%)</td>
<td>14.4</td>
<td>9.5</td>
<td>18</td>
<td>14</td>
</tr>
</tbody>
</table>

Note: For US and UK, low interest rates started around 1995
Source: CEIC, Bloomberg; Data are based on nation wide average

= Favourable

= Unfavourable
nation wide affordability is healthy

Nation Wide Affordability Ratio

Bank lending criteria of max 50%

Long term average : 39%

1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009

35* Big Urban Cities Affordability Ratio

Bank lending criteria of max 50%

Long term average : 43%

1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009

* 35 Big Urban Cities include capital cities in various provinces and municipalities; China’s house mortgage market started from 1998
Source: NBS, CEIC
Conclusion: no real estate bubble

• Some degree of speculative demand in Tier I cities, addressed by recent administrative measures

• Prices rise due to rapid economic growth but when they inflate to level beyond affordability, banks will not lend

• Prices will then naturally deflate back to affordable level
CapitaLand’s unique presence in China

- CapitaLand first invested in China in 1994
- Current portfolio worth over S$22bn
- Staff strength: 5,000

107 projects in 40 cities

Residential: 16 projects (16,000 units) with total GFA of 2.4 mil sqm
Commercial and Mixed: 12 projects*, with total GFA of 2.4 mil sqm
Retail: 52 malls, with a total GRA of 4,100,000 sqm
Service Residence: 33 projects, with 6,246 units
Financial Service: 8 private equity funds & 2 REIT**

* Inclusive of JV projects
** Ascott Residence Trust is a pan-Asian REIT
Diversified presence across 4 real estate sectors

China Assets: S$10 bn
(36%* of Group’s Balance Sheet)

- Residential: 39%
- Commercial & Mixed Development: 35%
- Retail: 20%
- Serviced Residences: 6%

* Excluding cash
Significant and growing contribution to CapitaLand
## Growth Strategy in China

### Strong presence in China which accounts for 36% of total assets

<table>
<thead>
<tr>
<th></th>
<th>1H10</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>Pipeline of &gt; 16,000 residential units</td>
<td>Launch average of 3,000 residential units annually¹</td>
</tr>
<tr>
<td>Retail</td>
<td>36 operational shopping malls</td>
<td>16 malls in development pipeline</td>
</tr>
<tr>
<td>Serviced Residences</td>
<td>33 properties with 6,246 units</td>
<td>Grow to 12,000 units by 2015</td>
</tr>
<tr>
<td>Integrated Developments</td>
<td>2 operational “Raffles City”</td>
<td>Complete construction of another 4 “Raffles City” projects by 2014</td>
</tr>
</tbody>
</table>

¹ Exploring new initiatives on Affordable Housing
Recent residential launches

- **The Metropolis, Kunshan**
  - Achieved selling price above underwriting expectations
  - Additional 200 units released in 3Q10

- **The Pinnacle, Shanghai (Nanmatou, Pudong)**
  - Mid-end residential
  - 124 units launched in 3Q 10

- **Paragon, Shanghai (Luwan)**
  - High-end luxury residential, along side hotel / serviced residences
  - 116 units to be launched in 1Q11
CapitaMalls Asia
52 retail properties in 34 cities across China
- 36 operating in 1H2010 with 16 under development
The Ascott Limited (serviced residences)
27 existing properties across China
7 new management contracts signed
Raffles City
Building a portfolio of 6 branded projects
2 completed with 4 under development
CapitaLand Corporate Social Responsibility (CSR) Efforts in China

- 9 CapitaLand Hope Schools
- Environmentally “Green” buildings & initiatives
- Hand-in-Hand 2010
Riding the China Growth Story

CapitaLand is well positioned

Scale
• Multi-sector
• Strong presence in gateway and key 2nd tier cities

Strong Management
• 5,000 staff
• Local expertise and talent

Track Record
• Strong earnings performance

Aggressive yet disciplined growth
Thank you