Sharpening CapitaLand’s Competitive Edge

Lim Ming Yan, President & Group CEO

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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.
Agenda

- Latest Update
- Summary Of SBU’s Strategic Thrusts
- Improving Long-term ROE
- Conclusion
Streamlined Organisation Structure

- Financial Products & Services
- Regional Investments*

1. **Singapore**
   - Singapore residential & commercial projects
   - Malaysia projects
   - CCT
   - QCT

2. **China**
   - China residential & commercial projects
   - Raffles City China & mixed development

3. **CMA**
   - Shopping mall
     - CMT
     - CRCT
     - CMMT

4. **Ascott**
   - Serviced Residence
     - ART

*Include Australand, Surbana, StorHub, Vietnam, India, Japan, GCC and UK
Process Update

Jan 3, 2013

Announcement of New Organisational Structure

Key Tasks

- Reduce organisational complexity
  - Streamlined 4 SBUs
  - Improved resource mobility across SBUs
- Review businesses
- Set clear KPIs
- Improve processes
- Re-emphasize Innovation

Desired Outcome

- Improve visibility, clarity and profitability on core businesses
- Improve long-term ROE
Update On Other Markets And Businesses

**Australand**
- Financial investment undergoing strategic review
- Strong market leader in C&I, in Australia
- Residential portfolio focused on affordable segment; more than 90% of portfolio in Sydney, Melbourne and Perth
- Experienced management team with deep bench

**Vietnam**
- Vista, Mulberry Lane, Parc Spring Phase 2 – to continue with development and sales
- Remaining 3 sites to hold and develop only when market is ready
- Explore new opportunities for first-time home buyers
- Good on-ground execution capability

**Post-restructuring, Surbana Consultancy (40% stake): financial investment**

**Japan**
- Shinjuku office – continue to hold
- Nishi Azabu – sold 107 units, ahead of original plan

**UK, GCC, India**
Focus on Singapore and China

Total Assets @ Mar 2013 : $35.4b\(^1\)
(73% of Group Assets in Singapore & China)

- Singapore: $12.3B, 35%
- China*: $13.6B, 38%
- Australia: $5.6B, 16%
- Other Asia**: $2.8B, 8%
- Europe: $1.1B, 3%

Group EBIT @ Mar 2013 : $386.1m
(82% of Group EBIT from Singapore & China)

- Singapore: $176.6m, 46%
- China*: $137.2, 36%
- Other Asia**: $25.2, 8%
- Others***: $47.1m, 12%
- Other Asia**: $2.8B, 8%

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1 Excluding treasury cash
*China including Hong Kong
** Excludes Singapore & China and includes projects in GCC
*** Includes Australia and Europe

Singapore And China Will Continue To Be Key Drivers Of CapitaLand’s Business
2. Summary Of SBUs’ Strategic Thrusts
CapitaLand Singapore

- **Residential:**
  - Continue to participate in land tenders
  - Increase value to customers
  - Economies of scale in procurement

- **Office:**
  - Be opportunistic and aim for best value

- **REITs:**
  - Look for opportunities for growth

- **Compete as one integrated platform**

- **Develop superior market sensing by tracking and dissecting policy directions more closely**

- **Malaysia: to focus primarily on Iskandar region**

![d' Leedon](image1)
![CapitaGreen](image2)
![Iskandar – Draft Master Plan](image3)
CapitaLand China

- **Focus on key cities in China**

- **Residential strategy:**
  - Target first-time home buyers and upgraders
  - Leverage on branding of integrated developments and convenient access to amenities
  - Open to larger projects with multiple launch phases
  - Review of existing mass housing projects in China

- **Compete as an integrated platform – One CapitaLand local team**

- **Build scale and brand awareness**

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Summit Residences, Ningbo  
Raffles City Chongqing  
Dolce Vita, Guangzhou
CapitaLand China – Mixed Used Developments

- Build a core holding in China with steady recurring income stream and potential for capital appreciation

<table>
<thead>
<tr>
<th>Raffles City Shanghai</th>
<th>Raffles City Beijing</th>
<th>Raffles City Chengdu</th>
<th>Raffles City Hangzhou</th>
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<tbody>
<tr>
<td>Raffles City Ningbo</td>
<td>Raffles City Shenzhen</td>
<td>Raffles City Changning</td>
<td>Raffles City Chongqing</td>
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Mixed Used Developments Leverage On CapitaLand’s Multi-product Expertise To Build Competitive Advantage
CapitaMalls Asia

- Strengthen leadership position in Singapore
- Continue to deepen presence in key cities in China

### PIPELINE OF MALLS OPENING (No. Of Properties As At 25 April 2013)

<table>
<thead>
<tr>
<th>Operational</th>
<th>Target to be opened in 2013</th>
<th>Target to be opened in 2014</th>
<th>Target to be opened in 2015 &amp; beyond</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>81</td>
<td>5</td>
<td>3</td>
<td>13</td>
<td>102</td>
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Ascott Limited

- Growth through investments and M&A in existing and new markets
- Enhance products and branding
- Leverage on brand equity
- Continue recycling capital for optimal returns

Target To Reach 40,000 units* By 2015
3. Improving Long-term ROE
Strategic Road Map

- Leverage On CapitaLand’s Core Strengths
  - Singapore / China
  - Shopping Malls / Serviced Residences
  - Deep Market Understanding
  - Prudent Capital Management
  - Strong Balance Sheet

- Hunt As A Pack
- Find Good Opportunities/ Projects
- Build scale in key clusters
- Attract and develop talents

Improve Long-term ROE
## Focus On Execution

<table>
<thead>
<tr>
<th>Focus On Core Competency</th>
<th>Multi-sector Expertise In Mixed Development</th>
<th>Gain Access To Good Sites</th>
<th>Monitor Project Profitability</th>
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<tbody>
<tr>
<td>Design and project management</td>
<td>Explore ways to enhance CapitaLand’s competitive edge in Design and Project Management</td>
<td>Develop superior marketing sensing through market research and intelligence work</td>
<td>To track each project progress closely at the Corporate level</td>
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<tr>
<td>Capital management – Funds and REITs</td>
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<td>Explore ways to improve product design and time-to-market</td>
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<td>Mall and serviced residences’ operations</td>
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<td>Mixed used developments</td>
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### Capital Management

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<tr>
<th>Increase Assets Under Management</th>
<th>Diversifying Sources of Capital</th>
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<tr>
<td>▪ Broaden pool of capital partners</td>
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<td>▪ Enhance synergies across Fund and REIT platforms</td>
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<tr>
<td>▪ Reaching out to existing and new investors</td>
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<td>▪ Raise balance sheet efficiency</td>
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<td>▪ Optimise funding cost</td>
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Improving Long-Term ROE

CapitaLand’s Four Key Businesses

CL Singapore  CL China  CMA  Ascott

Clear Performance Metrics

Drive Operational Performance & Profitability

CL Group ROE
4. Conclusion
Summary

- Positive outlook for our businesses
- Simplified organisation helps us scale-up
- Focus on execution excellence to capture more value
- Disciplined capital management will help CapitaLand to grow, even in volatile times
- Efficient cost management to optimise resources

We Are Well-Positioned For 2013 And Beyond
Thank You