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CapitaLand 3Q 2017 PATMI increases 28.1% to S$317.0 million

Singapore, 8 November 2017 – CapitaLand Limited achieved total PATMI of S$317.0 million in 3Q 2017, 28.1% higher than 3Q 2016. This was mainly due to fair value gains arising from Golden Shoe Car Park, the serviced residence component of Funan integrated development in Singapore and Citadines Biyun Shanghai in China, as well as portfolio gains arising from Wilkie Edge in Singapore, CapitaMall Anzhen in China and the 60% stake in CapitaLand Vietnam Commercial Fund I.

Operating PATMI for 3Q 2017 decreased by 18.8% to S$204.5 million, mainly due to lower handover of residential projects in China, and impact of divestment of certain commercial assets in Singapore, partially mitigated by contributions from newly acquired and opened shopping malls and serviced residences.

Group revenue for 3Q 2017 increased 9.7% to S$1,507.2 million on account of higher contribution from development projects in Singapore, higher rental revenue from newly acquired and opened shopping malls and serviced residences, as well as the consolidation of revenue from CapitaLand Mall Trust (CMT), CapitaLand Retail China Trust (CRCT) and RCS Trust (RCST)[1].

The Group achieved an EBIT of S$793.5 million in 3Q 2017, 60.5% higher than the S$494.4 million achieved in 3Q 2016. Singapore and China markets remain the key contributors to EBIT, accounting for 84.4% of total EBIT (3Q 2016: 80.4%).

Financial highlights

	3Q 2017 (S$ m)[2]	3Q 2016 (S$ m)	Variance (%)	YTD Sep 2017 (S$ m)[2]	YTD Sep 2016 (S$ m)	Variance (%)
Revenue	1,507.2	1,373.7	9.7	3,397.2	3,399.5	(0.1)
Earnings before interest and tax (EBIT)	793.5	494.4	60.5	2,399.9	1,543.7	55.5
Total PATMI	317.0	247.5	28.1	1,283.0	759.8	68.9
Operating PATMI[3]	204.5	251.8	(18.8)	748.9	576.2	30.0

[1] RCST is an unlisted special purpose sub-trust which is 60% owned by CCT and 40% owned by CMT. RCST owns Raffles City Singapore.

[2] With effect from August 2017, the Group consolidated the financial results of CMT, CRCT and RCST which were previously equity accounted as associates and joint venture. The consolidation of these three trusts increased Group's revenue, EBIT and PATMI by S$169.2 million, S$114.8 million and S$12.0 million respectively.

[3] Operating PATMI refers to profit from business operations excluding any gains or losses from divestments, revaluations and impairments. Operating PATMI for YTD September 2017 included a gain of S$160.9 million from the sale of 45 units of The Nassim in 1Q 2017. Operating PATMI for YTD September 2016 included a fair value gain of S$30.5 million which arose from the change in use of a development project in China, Raffles City Changning Tower 2 in 1Q 2016. The change in use of the development was due to a reclassification of the project from construction for sale to leasing as an investment property.

Mr Lim Ming Yan, President & Group CEO of CapitaLand Limited, said: "CapitaLand's 3Q 2017 results was anchored by robust PATMI numbers and positive portfolio growth momentum. Year-to-date September, our PATMI of S$1.28 billion has already exceeded by 8% the full year 2016 PATMI of S$1.19 billion. Our active portfolio reconstitution has boosted our results as well as our AUM which stands at S$85.0 billion as at end of 3Q 2017."

CapitaLand Commercial Trust acquired Asia Square Tower 2 (AST2) for S$2.09 billion in September 2017. This was part of the Group's portfolio reconstitution strategy which included the divestments of One George Street and Wilkie Edge, redevelopment of Golden Shoe project, in addition to the acquisition of AST2. AST2 is a 46-storey integrated commercial development that offers a full suite of amenities including a premium quality Grade A office building and a two-storey retail podium.

The Group expanded its retail network and increased fee revenue with a new management contract in September for Alibaba Shanghai Center in China – its seventh mall management contract in China and Singapore, bringing its total gross floor area to about 340,000 square metres. YTD September 2017 tenant sales growth in China remained positive, up 18.1% compared to the same period last year.

In 3Q 2017, CapitaLand's serviced residence unit The Ascott Limited (Ascott) completed the acquisition of an additional 60% stake in Quest Apartment Hotels in Australasia, as well as an 80% stake in Synergy Global Housing in the United States. Ascott also added 19 properties to its portfolio through investments, management contracts and franchise agreements across Australia, China, Southeast Asia, the Gulf Region, Europe, the United States and South America.

Mr Lim added: "Our expanded mall network and Ascott's global platform are giving us more insights to customer behaviour, business opportunities and capital flows, which are pivotal to our major capital deployment decisions. We will continue to maintain our presence in our core markets of Singapore and China, while we scale up our business in markets such as Vietnam through quality residential, serviced residence and commercial projects."

Residential sales remained stable in Singapore with 108 units sold for 3Q 2017, bringing the total number of residential units sold in YTD September 2017 to 293 with a sales value of S$1.15 billion. This includes units at Cairnhill Nine, which is fully sold as at July 2017, and Victoria Park Villas, which is 86% sold as at 30 September 2017. In China, 100% of the 45 units launched at Skyview at Raffles City Hangzhou and 99% of the 535 units launched at The Metropolis in Kunshan were sold in 3Q 2017. The launch of d'Edge in Ho Chi Minh City, Vietnam also received strong response, with close to 100% of the project sold in less than two months after sales began in July 2017.

In August 2017, the Group successfully set up its first US$300-million commercial fund in Vietnam. In September 2017, CapitaLand announced that its maiden integrated development in Indonesia, The Stature Jakarta, is on track for completion by the end of 2020 at a total development cost of approximately S$220 million. The Group further expanded its presence in Indonesia by investing S$74.3 million in a prime serviced residence in the Central Business District.

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

About CapitaLand Limited (www.capitaland.com)
CapitaLand is one of Asia's largest real estate companies. Headquartered and listed in Singapore, it is an owner and manager of a global portfolio worth more than S$85 billion as at 30 September 2017, comprising integrated developments, shopping malls, serviced residences, offices, homes, real estate investment trusts (REITs) and funds. Present across more than 150 cities in over 30 countries, the Group focuses on Singapore and China as core markets, while it continues to expand in markets such as Vietnam and Indonesia.

CapitaLand's competitive advantage is its significant asset base and extensive market network. Coupled with extensive design, development and operational capabilities, the Group develops and manages high-quality real estate products and services. It also has one of the largest investment management businesses in Asia and a stable of five REITs listed in Singapore and Malaysia – CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust.

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

Annex

CapitaLand solidified its position as Singapore's largest prime office landlord with CapitaLand Commercial Trust's acquisition of Asia Square Tower 2 for S$2.09 billion in September 2017. Keeping in line with its portfolio reconstitution strategy, the acquisition was funded partially by the divestments of One George Street (50% stake), Golden Shoe Car Park and Wilkie Edge. The 46-storey integrated commercial development offers a full suite of amenities including a premium quality Grade A office building and a two-storey retail podium.

In China, the Capital Square Shanghai integrated development opened in September 2017 with 98% and 62% committed occupancy rates for the mall and office components respectively. In the shopping mall sector, CapitaLand opened SingPost Centre, its first management contract in Singapore, in October 2017. The five-storey mall boasts a net lettable area of 178,000 square feet and currently houses leading brands in fashion, dining and entertainment. The Group is also slated to open Suzhou Center in November 2017.

CapitaLand further advanced its omni-channel strategy by forging alliances with Alibaba Group and Alibaba-backed Lazada Singapore, the leading e-commerce players in China and Singapore respectively. As part of the agreement, CapitaLand will manage Alibaba's new Shanghai headquarters consisting of four office towers and a retail podium. CapitaLand also launched an exclusive online mall on Lazada.SG. This has also positioned the Group as Singapore's first omni-channel retail landlord that connects retailers to shoppers both offline and online, complemented by a unique in-mall collection service for shoppers.

In 3Q 2017, Ascott completed the acquisition of an additional 60% stake in Quest Apartment Hotels in Australasia, as well as an 80% stake in Synergy Global Housing in the United States. In Singapore, Ascott became the largest serviced residence operator with its S$170.3 million investment, through its serviced residence global fund with Qatar Investment Authority, in the serviced residence component of the Funan integrated development. Part of the S$170.3 million will be used to develop a coliving property under its millennial-focused lyf brand and will be named lyf Funan Singapore.

CapitaLand also expanded its presence in Indonesia following a S$74.3 million investment in Ascott Sudirman Jakarta. The Group's first integrated development in the country, The Stature Jakarta, is also on track for completion by end 2020 at a total development cost of approximately S$220 million. Jointly developed by CapitaLand and Credo Group, the new property spanning a total gross floor area of about 55,500 square metres, will comprise Stature Residences, a 29-storey residential tower with 96 exclusive units; Ascott Menteng Jakarta, a 24-storey premium serviced residence tower; Stature Tower, a 20-storey Grade A office building; and lifestyle retail outlets.

As part of its global expansion, Ascott acquired The Domain Hotel in Silicon Valley, California, in October. The freehold hotel will be rebranded as Citadines Cupertino Sunnyvale in 4Q 2018. This marks Ascott's fourth acquisition in the country within five months and has more than tripled its portfolio from last year to 2,900 units. In October, Ascott also secured contracts to manage a Citadines serviced residence, which will be part of the redevelopment of Golden Shoe Car Park in Raffles Place, and Citadines Rochor Singapore. Ascott is on track to surpass its global portfolio target of 80,000 units well ahead of 2020.