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NEWS RELEASE

CapitaLand registers 1Q 2018 PATMI of S$319.1 million

Singapore, 30 April 2018 – CapitaLand Limited achieved a PATMI of S$319.1 million in 1Q 2018, 18.8% lower than the corresponding quarter mainly due to absence of the gain of S$160.9 million from the sale of The Nassim in 1Q 2017. This was mitigated by higher portfolio and revaluation gains mainly from the divestment of 20 malls in China and a property investment in Vietnam, as well as a writeback of provision for Victoria Park Villas and Bedok Residences in Singapore.

Excluding the gain from the sale of The Nassim in 1Q 2017, operating PATMI for 1Q 2018 increased by 25.0% or S$45.8 million to S$228.7 million. This was on the back of higher development profits in Singapore, as well as higher rental income from our newly acquired or opened malls and offices in China, Japan and Germany.

Group revenue for 1Q 2018 increased by 53.3% or S$478.0 million to S$1,375.5 million on account of higher contributions from development projects in Singapore and China, rental revenue from newly acquired and opened properties, as well as the consolidation of revenue from CapitaLand Mall Trust (CMT), CapitaLand Retail China Trust (CRCT) and RCS Trust (RCST). The development projects which contributed to the revenue this quarter were Victoria Park Villas in Singapore and The Metropolis in China.

In 1Q 2018, the Group achieved an EBIT of S$719.8 million, an increase of 15.1% as compared to 1Q 2017 EBIT of S$625.4 million. The increase was mainly due to higher operating contributions from development projects, commercial, retail and serviced residence businesses, higher portfolio and revaluation gains, as well as a net writeback of provision for foreseeable losses. Singapore and China markets remain the key contributors to EBIT, accounting for 82.6% of total EBIT compared to 84.0% in 1Q 2017.

Financial highlights

	1Q 2018[1] (S$ m)	1Q 2017 (S$ m) (Restated)[2]	Variance (%)	Variance (%) (Excluding gain from sale of The Nassim)
Revenue	1,375.5	897.5	53.3	53.3
Earnings before interest and tax (EBIT)	719.8	625.4	15.1	55.0
Total PATMI	319.1	392.8	(18.8)	37.6
Operating PATMI[3]	228.7	343.8	(33.5)	25.0

Mr Lim Ming Yan, President & Group CEO of CapitaLand Group, said: "CapitaLand is on track to achieve our annual S$3-billion capital recycling target while we explore investment opportunities across asset classes. In 1Q 2018, we continued to optimise our portfolio by divesting 20 retail assets in China. This was followed by the proposed acquisition of Pearl Bank Apartments in Singapore and a site for our first integrated development in Vietnam. We also successfully set up our second commercial fund in the country, the US$130-million CapitaLand Vietnam Commercial Value-Added Fund, as part of growing our fee-based business."

In 1Q 2018, CL China handed over 1,328 units to home buyers. The units handed over during the quarter were mainly from the completion of a phase from The Metropolis. As at 31 March 2018, the Group had over 8,000 units valued at RMB 15.1 billion which had been sold but not yet handed over. About 70% of this value is expected to be recognised over the next nine months. In 1Q 2018, CL Vietnam handed over 259 residential units to home buyers. The units handed over were mainly from joint venture projects, namely Vista Verde and Seasons Avenue. Of the 2,600 yet-to-be-completed units that have been sold, representing a value of S$686 million, about 50% of the value is expected to be handed over and recognised in 2018.

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

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[1] The Group consolidated CMT, CRCT and RCST into its Group's results with effect from August 2017. The consolidation of these three trusts increased the Group's revenue and EBIT by approximately S$265 million and S$134 million respectively in 1Q 2018, but no change to profit attributable to owners.

[2] 1Q 2017 results have been restated to take into account the retrospective adjustments relating to SFRS(I) 15 Revenue from contracts with customers.

[3] Operating PATMI refers to profit from business operations excluding any gains or losses from divestments, revaluations and impairments. Operating PATMI for 1Q 2017 included a gain of S$160.9 million from the sale of 45 units of The Nassim.

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 S$91 billion as at 31 March 2018, 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.

This release 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 the current view of management on future events.

Annex

As CapitaLand continued to deepen its retail presence and build dominance in core city clusters in China, the Group optimised its retail portfolio by divesting 20 retail assets in the country with an agreed value of RMB8,365.0 million (about S$1,705.9 million) in January 2018. Targeted for completion in 2Q 2018, this transaction is expected to generate for CapitaLand net proceeds of about S$660.0 million.

In line with CapitaLand's disciplined investment strategy to build quality residential pipeline on a sustainable basis, the Group acquired the centrally located Pearl Bank Apartments in Singapore through a private treaty collective sale for S$728 million in February 2018. Subject to conditions precedent, CapitaLand plans to redevelop the site into a high-rise residential development comprising around 800 units.

Stepping up growth in one of its key markets, CapitaLand acquired a prime site for its first integrated development in Vietnam in March 2018. Located in Hanoi's exclusive Tay Ho district with unblocked views of the scenic West Lake, the upcoming 25-storey integrated development worth about US$217 million (approximately S$285 million) will comprise a 380-unit residence including SoHo apartments, around 230,000 square feet (sq ft) of office space and over 208,000 sq ft of retail space. CapitaLand also successfully set up its second commercial fund in the country, CapitaLand Vietnam Commercial Value-Added Fund (CVCVF), which closed at US$130 million (approximately S$171 million). The fund has a life span of eight years and will focus on Grade A commercial properties. CapitaLand and MEA Commercial Holdings Pte. Ltd. each holds a 50% stake in CVCVF.

As it continues building its best-in-class global operating platforms, CapitaLand signed an agreement to manage a mall in Phnom Penh, the capital of Cambodia – one of the fastest growing economies in Southeast Asia in March 2018. This extends its expertise in operating shopping malls to a new market after Singapore, China, Malaysia, Japan, India and Vietnam. CapitaLand will oversee asset planning, pre-opening and retail management for the five-storey retail component of The Peak, an upcoming high-end integrated development. The mall will have a gross floor area (GFA) excluding car park of about 420,000 square feet (sq ft) and net lettable area of about 260,000 sq ft. Currently under construction, the mall is expected to commence operations in 2020.

Ascott accelerated its expansion in Asia by partnering with leading developers, namely specialty township developer, Riverside Group in China; listed Japanese real estate company, NTT Urban Development Corporation – a subsidiary of Nippon Telegraph and Telephone Corporation; and one of Thailand's top listed developers, Ananda Development, to manage apartments currently under development as well as future projects by these companies. In addition to the 1,607 units that expanded its portfolio in January and February, Ascott also added management and lease agreements for another 14 properties with about 3,400 apartment units across 10 cities in China, Japan, Thailand and Indonesia in April 2018. This includes a lease agreement with department store chain, Takashimaya Company, Limited, to operate the first Citadines Apart'hotel in Osaka.

Ahead of its scheduled completion in the first half of 2021, CapitaLand also unveiled the name of their upcoming 51-storey skyscraper at 88 Market Street – CapitaSpring, alongside the announcement that J.P. Morgan, the global banking and financial services provider, will take up approximately 155,000 sq ft of premium office space from levels 24 to 30, or a quarter of total of NLA in the world-class integrated development.

Leveraging technology, the Group enhanced its retail operating platform with the launch of StarPay – an ePayment service that aims to generate new business opportunities for retailers and enhance convenience for shoppers. For shoppers, StarPay will be incorporated as an in-app feature on CapitaStar to enable them to transact with participating retailers using different ePayment modes, including debit and credit cards, QR codes, as well as local and international payment apps. For retailers, StarPay is a key component of the CapitaLand Digital Merchant Services Suite, which is built with digital enablers in four focus areas, namely analytics, transactions, rewards and operations. Over 2,500 stores in participating CapitaLand malls across Singapore will be provided with smart terminals by end 2018.