NEWS RELEASE

CapitaLand registers 3Q 2019 PATMI of S$333.9 million

Singapore, 5 November 2019 – CapitaLand Limited achieved a total PATMI of S$333.9 million in 3Q 2019, 7.8% or S$28.3 million lower than 3Q 2018. This was largely attributed to lower portfolio gains recorded during the quarter compared to the same period a year ago\(^1\), partially mitigated by higher operating PATMI.

The Operating PATMI of S$277.6 million was 18.8% higher than the corresponding period in 2018. The increase was mainly attributable to the maiden contribution from Ascendas-Singbridge (ASB), higher contributions from development projects in China and fee income from Vietnam.

Revenue for the quarter increased by 37.1% to S$1,727.8 million, mainly due to higher contributions from development projects in China and contributions from ASB and the Group’s multifamily portfolio in USA. The residential projects contributing to revenue were The Metropolis in Kunshan, China; Sky Habitat in Singapore; and Mulberry Lane in Vietnam. The core markets of Singapore and China accounted for 67.3% of the Group’s revenue in 3Q 2019.

EBIT for 3Q 2019 was S$1,073.3 million, an increase of 30.2% from the same period in 2018. The increase was underpinned by contributions from ASB, higher contributions from residential projects in China and fee income from Vietnam. Singapore and China markets remain the key contributors to the Group’s EBIT, accounting for 75.6% of total EBIT for the quarter.

Financial highlights

<table>
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<th>3Q 2019 (S$ m)</th>
<th>3Q 2018 (S$ m)</th>
<th>Variance (%)</th>
<th>YTD Sep 2019 (S$ m)</th>
<th>YTD Sep 2018 (S$ m)</th>
<th>Variance (%)</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,727.8</td>
<td>1,260.0</td>
<td>37.1</td>
<td>3,858.8</td>
<td>3,978.0</td>
<td>(3.0)</td>
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<tr>
<td>Earnings before interest and tax (EBIT)</td>
<td>1,073.3</td>
<td>824.4</td>
<td>30.2</td>
<td>3,134.3</td>
<td>3,012.8</td>
<td>4.0</td>
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<tr>
<td>Total PATMI</td>
<td>333.9</td>
<td>362.2</td>
<td>(7.8)</td>
<td>1,209.3</td>
<td>1,286.8</td>
<td>(6.0)</td>
</tr>
<tr>
<td>Operating PATMI(^2)</td>
<td>277.6</td>
<td>233.7</td>
<td>18.8</td>
<td>638.9</td>
<td>658.4</td>
<td>(3.0)</td>
</tr>
</tbody>
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\(1\) Due to the absence of a one-time gain of S$99.2 million from the divestment of Singapore retail asset, Westgate, to CapitaLand Mall Trust in August 2018.

\(2\) Operating PATMI refers to profit from business operations excluding any gains or losses from divestments, revaluations and impairments.
Mr Lee Chee Koon, Group CEO of CapitaLand Group, said: “The first full quarter contribution from Ascendas-Singbridge has provided an immediate uplift to the quality of CapitaLand’s earnings. Fee income from the Group’s REITs and funds grew by more than 30% year-on-year in 3Q 2019, tracking the increase in our REIT and fund assets under management. The strengthened recurring income will provide us with greater stability as we continue to drive growth for the Group.”

He added: “Active and disciplined asset recycling remain an important part of CapitaLand’s strategy to enhance returns and rejuvenate our portfolio for sustainable growth. Year to date, we have divested more than S$5.2 billion worth of assets and released S$2.4 billion of net capital back to the Group. This will enhance our financial flexibility to seize potential opportunities ahead.”

The Group continues to build on its strengths in its core markets of Singapore and China. Its retail portfolio in both markets remained robust, with healthy occupancy levels above 96% as at 30 September 2019. In China, the Group successfully opened the retail component of Raffles City Chongqing, registering over 900,000 visitors during its opening weekend. The Group’s office portfolio in Singapore maintained a high occupancy level of 97.9% as at 30 September 2019. The development of 79 Robinson Road and CapitaSpring is on track for completion in 2020 and 2021 respectively; and both buildings have each secured healthy office leasing pre-commitments to date of about 30%.

On the residential front, One Pearl Bank in Singapore has sold 235 of the 280 launched units to date. On 2 November 2019, the Group launched Sengkang Grand Residences in Singapore, selling 216 of the 280 available units during the first weekend. In China, the Group sold 3,694 units in the first nine months of 2019 with a value of RMB8.5 billion, and expects to launch an estimated further 1,700 units in 4Q 2019. As at 30 September 2019, the Group had sold but not yet handed over approximately 6,500 units with a value of RMB16.1 billion. About 30% of this value is expected to be handed over and recognised in the last quarter of 2019.

In its new key market of India, the Group aims to ramp up the current 17.4 million square feet of commercial space comprising business and IT parks, industrial and logistics properties to 40 million square feet by 2024. This will correspond to about S$7 billion of assets under management in India, more than double the current value. CapitaLand’s India portfolio is efficiently structured, with only 20% of its assets held on the Group’s balance sheet. The remaining assets are owned through Ascendas India Trust and two private funds – Ascendas India Growth Programme and the Ascendas India Logistics Programme.

In 3Q 2019, fee income from the Group’s REITs and funds totalled S$86.8 million, about 35% higher than the corresponding period last year. For the first nine months ended 30 September 2019, the Group successfully raised S$1.9 billion from capital partners. With an expanded portfolio of REITs and funds post ASB acquisition, the Group is well-positioned to capitalise on both public and private markets to grow its portfolio.

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3 Units sold include options issued as at 30 September 2019. Above data is on a 100% basis, including strata units in integrated developments.
4 Refers to value of residential units sold including value added tax.
CapitaLand’s lodging business is progressing apace towards its target of 160,000 units worldwide by 2023. Year to date, it has added more than 10,600 units, bringing the total number of units in its portfolio to over 112,000 units. In 3Q 2019, the Group opened its first coliving property at Funan in Singapore, the first of eight lyf properties across Asia in the pipeline. The proposed combination of Ascott Residence Trust and Ascendas Hospitality Trust has been duly approved by their respective unitholders, setting it up for a new phase of growth as Asia Pacific’s largest hospitality trust.

**About CapitaLand Limited (www.capitaland.com)**
CapitaLand Limited (CapitaLand) is one of Asia’s largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth S$131.7 billion as at 30 September 2019. CapitaLand’s portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 200 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages eight listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. Since it pioneered REITs in Singapore with the listing of CapitaLand Mall Trust in 2002, CapitaLand’s REITs and business trusts have expanded to include Ascendas Reit, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust, CapitaLand Malaysia Mall Trust and Ascendas Hospitality Trust.

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

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