

【信】 TRUSTWORTHINESS



【智】 WISDOM



【仁】 BENEVOLENCE



【礼】 DECORUM



【义】 RIGHTEOUSNESS



CapitaLand

# CapitaLand Media/Analysts Trip: CapitaLand China

Lucas Loh, CLC CEO

10 November 2014



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# China Overall Market Trend





# Mega Trend Remains

**Real estate backed economy**  
**In line with CLC's strategy - 5 city clusters**

**+7.4% GDP, 9M 2014**

Economy Fundamentals remains resilient

**15-20% GDP**

Developers investment

**Urbanisation**

Mega city clusters continues to drive demand

**Capital Market**

Further liberalisation

For rapid economic  
expansion & fast  
urbanization



Expansionary fiscal policy  
Pump up money supply  
Pump up land supply



Accelerate total social  
investment growth



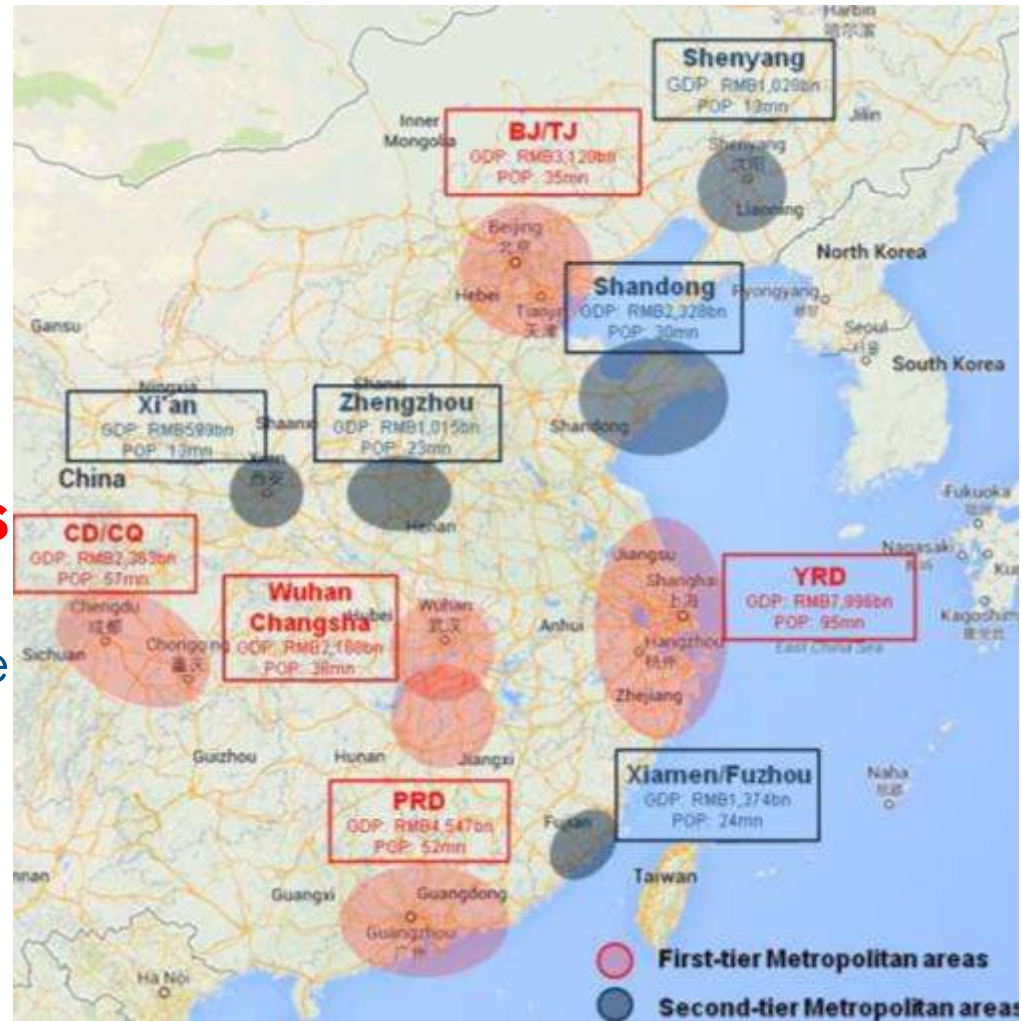
Economic growth

*Data source: National Bureau of Statistics of China*



# Urbanisation: Benefit Mega Cities

- **Gov't Supportive Policy**  
Land reform system; Broaden public services coverage to migrant workers, and etc
- **Public Transportation**  
Creating “1小时生活圈”
- **Social Housing's impact is unlikely significant**  
2-tier” property market (private + public), with social housing having priority but with a growing commodity segment being more market-oriented and supply-focused.



Source: Chinese Government, Media, Citi Research



# Liberalisation of Capital Market

Financial Reforms  
expected to benefit real estate in the long run

Year	Interest rate liberalization	Exchange rate reform	Capital market deepening	Capital account liberalization
2014-2015	Allow privately owned banks. Remove caps on long term deposits.	Widen daily trading band from 1% to 2%. Establish rule-based intervention mechanism.	Shift to registration based IPO. Launch index futures.	Ease cross border currency mgt. Expand QFII, QDII and etc.
2015 onwards	Remove short term deposit.	Further reduce direct intervention.	Introduce other derivatives. Develop OTC market.	Further open capital markets to foreign investors.

Source: Chinese Government, SG Cross Asset Research/Economics



# CapitaLand China Strategy





# CapitaLand China Strategy

## Improving Long Term ROE

Where to focus?

**Optimal  
Mix**

Trading and  
Investment  
Assets

**50:50**

Focus on

**Key Cities**

Exposure to Tier 1  
and Tier 2/3 Cities

**70:30**

How to build a sustainable and  
competitive business?

Target Real  
Demand for  
residential

**First time  
Home  
Buyers &  
Upgraders**

Continue to build  
and hone **Mixed  
Use  
Development**

Enhance operational  
competence and scale  
economies, as more  
mixed use projects are  
completed



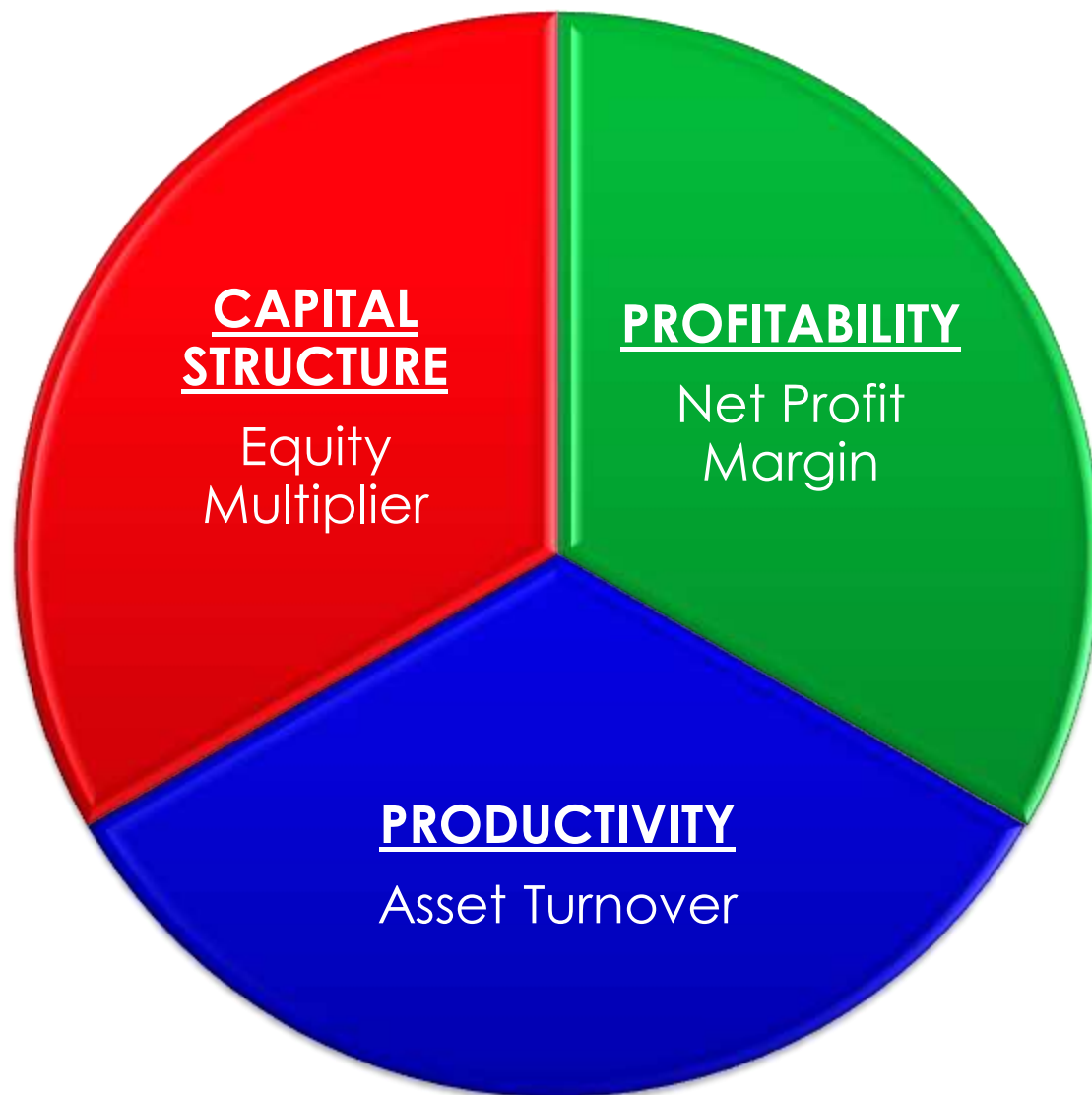


# Focus on 5 key Cities Cluster





# Focus On Driving ROE



Business process improvement

Central Procurement 'Modularization'

Joint ventures with local partners



# Execution Plan





# Strong Management Bench



**Lucas Loh**  
Chief Executive Officer



**Chan Boon Seng**  
Deputy CEO / CDO



**Steve Gong**  
CFO



**Zhang  
Zheng Lin**



**Qian  
Yi Qi**



**Han Wei**



**Tan  
Ming Chian**



**Puah  
Tze Shyang**



**Jasmine  
Chua**



**Gan  
Chong Min**

**Shanghai/  
Kunshan**

**Ningbo/  
Hangzhou**

**North China**

**South China**

**Southwest  
China /  
Township**

**Raffles City  
Asset Management**

Collectively manage 32 Projects, 8 Raffles City and 7 Private Equity Funds.  
Total AUM: ~ S\$13 billion\*

\* As at Sep 2014



# Focus on Operational Excellence And Execution

## Chengdu Century Park



- Located in New Southern Area, Chengdu, Sichuan
- Acquired in Mar 2014
- Construction started in 2Q 2014
- 347 units (of Phase 1) on track to launch in Dec 2014

## Sunjia site, Ningbo



- Located in Sunjia, Jiangbei District, Ningbo
- Acquired in Jan 2014
- Construction started in 3Q 2014
- First phase expected to be launch-ready in 2Q 2015





# Focus on Operational Excellence And Execution

## Datansha Island, Phase 1A

- Located in the western part of downtown Guangzhou
- Acquisition of first land plot with GFA of 97,649 sqm is expected to be completed in 4Q 2014
- Construction expected to commence in 4Q 2014
- First phase expected to be launch-ready in 4Q 2015



# Shorten Time to Market & Quality Control



2 Main Business Drivers

Product Design & Development Center  
Central Procurement

# USING TECHNOLOGY

Improve Processes  
Connect with customers  
Build a better product

**BPI**

**Customers**

**Products**





# JV with Local Partners





# One CapitaLand Strategy

## Investment Focus on Integrated Developments

One CapitaLand strategy will tap on group synergies and integrated capabilities to create a niche space







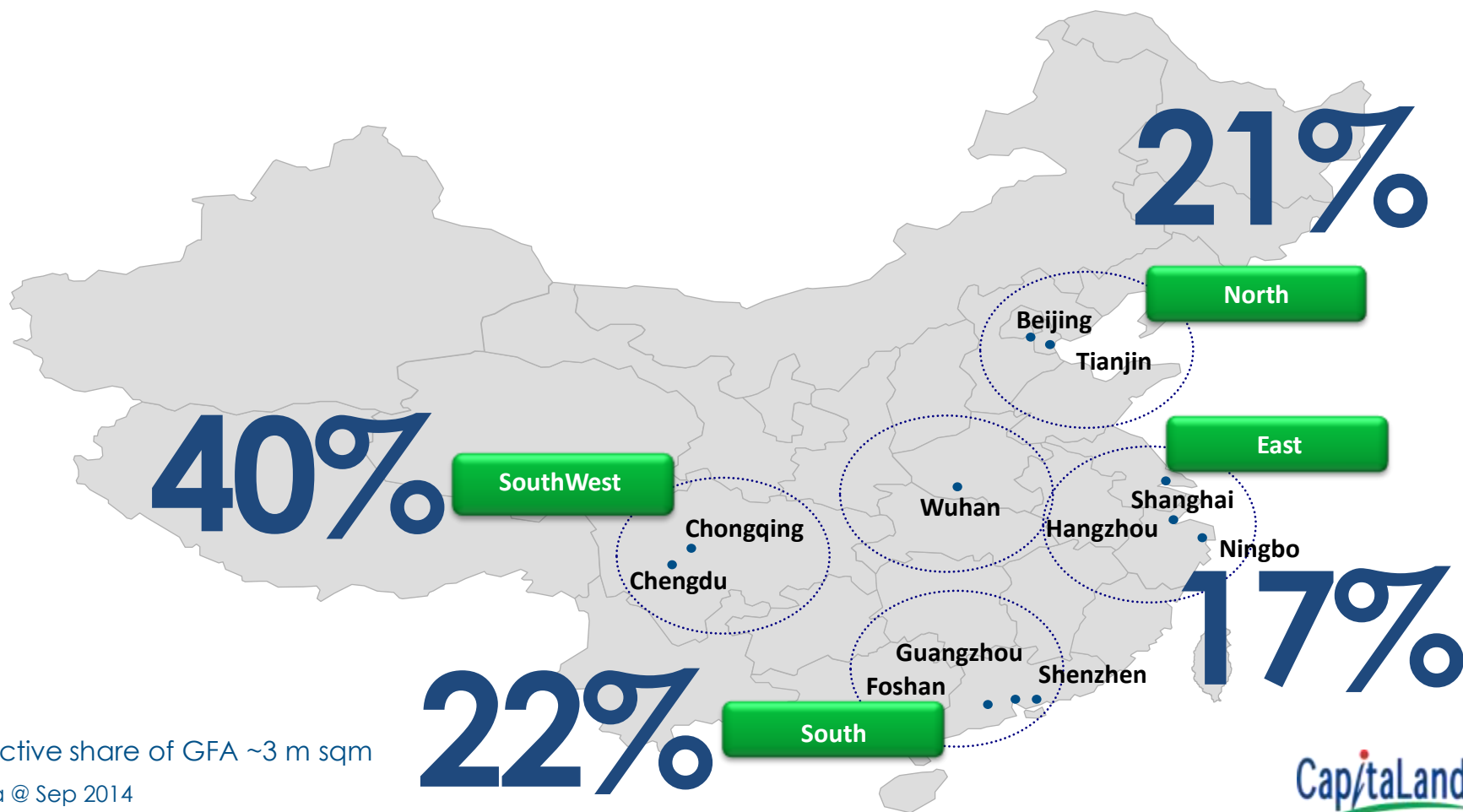
# Outlook





# Residential Pipeline ~ 7m sqm in GFA

- Manage 29 residential projects in 15 cities
- Existing pipeline expected to last beyond 2017





# Residential Launch Ready in 2015

New residential projects expected to be launched ready

Artist impression\*



Riverfront, Hangzhou

Artist impression\*



Vermont Hills, Beijing

Artist impression\*



Century Park, Chengdu

Artist impression\*



Sunjia Site, Ningbo

\* Subject to change





# Completion in 2015

- Lotus Mansion, Vista Garden and New Horizon launched in 2014 are expected to handover in 2015.
- ~ 4,000 units of launched units will be completed in 2015.



\* Subject to change



# Operational Raffles City with stable recurring income

- Active tenant remix to improve shopper experience
- Continuous ramping up of office occupancies in the newly completed properties



Raffles City Chengdu



Raffles City Shanghai



Raffles City Beijing



Raffles City Ningbo





# 4 Raffles City Construction on track To add to pipeline of recurring income



**Raffles City  
Hangzhou**



**Raffles City  
Shenzhen**



**Raffles City  
Chongqing**



**Raffles City  
Changning**

\* Subject to change



# Pipeline of projects with recurring income

## Hanzhonglu, Shanghai, Mixed-use Project

### Project Brief

Location:	Zhabei District, along Suzhou River, within Inner Ring	
Devt plan:	Mixed development, atop Hanzhonglu Metro interchange	
JV partners:	上海申通地铁资产经营管理有限公司 (30% stake)	
Land size:	11,747 sq m	13,741 sq m
Total GFA:	75,000 sq m Office: 44,734 sq m Retail: 10,655 sq m Other: 19,611 sq m	30,230 sq m Resi: 26,912 sq m Retail: 2,626 sq m Other: 692 sq m
Land usage:	Office/Retail	Residential
Est. start of construction:	Q2 2015	Q2 2015
Est. completion:	Q4 2017	Q4 2017
Building Height:	~130 m	





# Project Location







# The Capital Tower, Shanghai

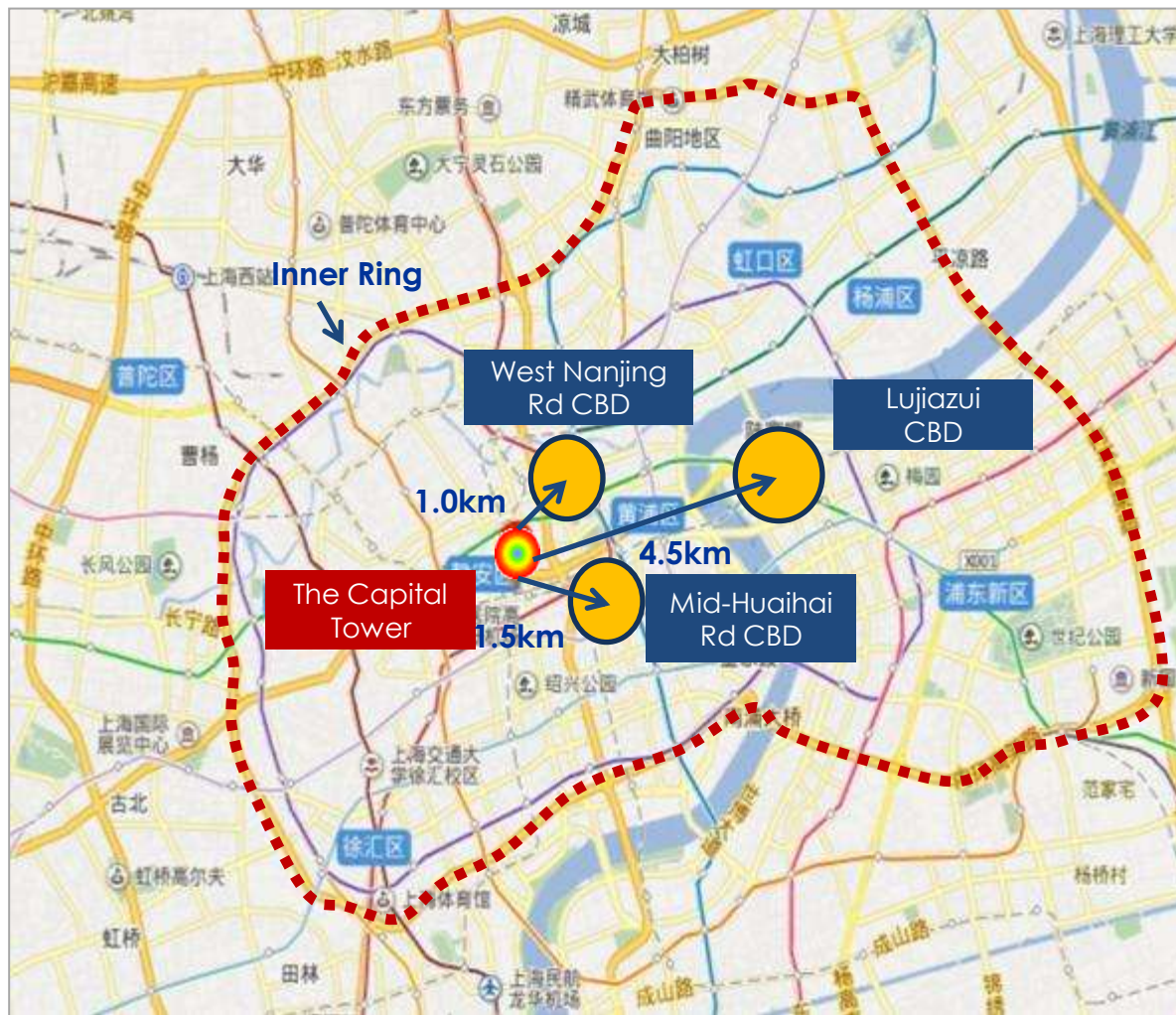
## Project Brief

Location:	French Concession, within Inner Ring ( Rui Jin Rd, Chang Le Rd)
Devt plan:	The Capital Tower
JV partners:	上海永业股份有限公司 (1% stake)
Land size:	10,813 sq m
Total GFA:	66,160 sq m Office: 43,987 sq m Serviced Apartment: 21,001 sq m Retail: 1,172 sq m
Construction commenced year:	Q4 2014 (Above-ground construction)
Est. completion:	Q4 2016
Building Height	140 m





# Project Location







# CONCLUDING REMARKS

- 1 One CapitaLand strategy will tap on group synergies and integrated capabilities to create a niche space
- 2 To reduce development cycle to improve asset turnover
- 3 Urbanization will continue to drive demand for homes
- 4 CLC is well positioned to ride the market
- 5 Raffles City portfolio continues to see positive growth
- 6 Pipeline of projects with recurring income
- 7 Continue to work with Capital Partners for growth