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CapitaLand 1Q 2017 PATMI increases 77.2% to S\$386.8 million

Singapore, 26 April 2017 – CapitaLand Limited achieved total PATMI of S\$386.8 million in 1Q 2017, a 77.2% increase compared with 1Q 2016. This was due to improved operating performance, including the sale of 45 units of The Nassim¹, and higher portfolio gains.

Group revenue for 1Q 2017 was S\$897.5 million, 0.4% higher than 1Q 2016 due to more handovers from its development projects in China and rental contribution from newly acquired properties. The development projects which contributed to the revenue in China this quarter included One iPark in Shenzhen, Riverfront in Hangzhou, Vista Garden in Guangzhou and Summit Era in Ningbo.

The Group's EBIT grew 35.0% to S\$618.6 million in 1Q 2017, compared with S\$458.2 million in 1Q 2016. Likewise, Operating PATMI for the period increased by 121.1% to S\$337.8 million. The increase in EBIT was mainly attributable to a gain from the sale of The Nassim, higher handovers from development projects in China, and higher portfolio gains, partially offset by lower revaluation gains from investment properties. The portfolio gain in 1Q 2017 of S\$17.7 million arose mainly from the divestment of a township project in China.

Singapore and China remain the key contributors to EBIT, accounting for 84.8% of total EBIT (1Q 2016: 86.1%).

Financial highlights

	1Q 2017 (S\$ m)	1Q 2016 (S\$ m)	Variance (%)
Revenue	897.5	894.2	0.4
Earnings before interest and tax (EBIT)	618.6	458.2	35.0
Total PATMI	386.8	218.3	77.2
Operating PATMI ¹	337.8	152.8	121.1

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

Mr Lim Ming Yan, President & Group CEO of CapitaLand Limited, said: “CapitaLand has achieved another quarter of strong growth. The Group’s optimal asset mix has enabled us to deliver a steady stream of recurring income from our investment properties and management contracts, whilst we continue to realise gains from our trading properties. We have improved our operating PATMI this quarter and will continue to focus on strengthening CapitaLand’s operating PATMI and balance sheet.”

This year, the Group will complete and commence operations of six more shopping malls in China, India, Malaysia and Singapore, as well as the retail components of three Raffles City developments and Capital Square in China. Five of these 10 shopping malls and retail components will open in 2Q 2017. It also expects to open about 2,600 serviced residence units in 2017. CapitaLand has also obtained the Singapore Urban Redevelopment Authority’s provisional permission for the proposed redevelopment of Golden Shoe Car Park into a Grade A office building, and is awaiting the Singapore Land Authority’s assessment of the differential premium payable for the potential enhancement in land use.

Mr Lim added: “Singapore and China continue to be our core markets, while we scale up in markets such as Vietnam. We made our first foray into the Vietnam commercial property market in January 2017 with the acquisition of a prime site in the Central Business District of Ho Chi Minh City to develop our first international Grade A office tower in Vietnam. We will be on a look-out for opportunities to further diversify our business and potentially bring our Raffles City brand there.”

“CapitaLand has secured pre-leases for more than 90% of the retail components of our Raffles City projects in Changning, Hangzhou and Shenzhen of China, slated to open in 2Q 2017. This will add to the steady leasing income generated from our four operating Raffles City projects. Raffles City Chongqing is also on track for completion in phases starting from 2018. As more of our properties become operational, our recurring income will grow.”

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\$78 billion as at 31 March 2017, comprising integrated developments, shopping malls, serviced residences, offices, homes, real estate investment trusts (REITs) and funds. Present across more than 130 cities in over 20 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.

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Annex

In a steady pursuit to enlarge its retail footprint, CapitaLand entered 2017 with the signing of a new shopping mall management contract in La Botanica township in Xi'an, China, allowing the Group to cross 12 million square feet of retail gross floor area in Western China. Following in February 2017, CapitaLand acquired three office buildings and a mall for S\$620.1 million in Greater Tokyo, increasing the Group's total asset size in Japan to about S\$2.5 billion. 1Q 2017 rounded off with CapitaLand signing its first third-party mall management contract in Singapore with Singapore Post for its upcoming mall at the new SingPost Centre. With this contract, CapitaLand's network in Singapore increases to 20 shopping malls, strengthening its leadership position as Singapore's largest mall operator.

In March 2017, CapitaLand tapped on the popularity of Disney Tsum Tsum to organise Southeast Asia's largest interactive Tsum Tsum carnival across its malls in Singapore, to the delight of shoppers who redeemed all 24,000 Tsum Tsum huggables in record time and turned up in droves to catch the parade of giant Tsum Tsum inflatables in its malls.

CapitaLand diversified its portfolio in Vietnam with its first foray into commercial property through the acquisition of a prime site in the Central Business District of Ho Chi Minh City to develop its first international Grade A office tower in Vietnam. Construction of the office tower is expected to be completed in 2020. This is in step with CapitaLand's commitment to being a long-term player in the Vietnamese market as it looks to significantly increase its current S\$2.1 billion multi-asset class presence in Vietnam, CapitaLand's third largest Southeast Asian market after Singapore and Malaysia.

CapitaLand's wholly owned serviced residence business, The Ascott Limited, secured contracts to manage six properties with more than 1,200 apartment units in China. The new properties entrench Ascott's presence in Changsha, Shenzhen, Tianjin and Wuhan, while extending its footprint in Handan and Xuzhou.

Following its announcement of a new millennial brand lyf in November last year, Ascott unveiled its first living lab to field test lyf in partnership with Singapore Management University (SMU). Ascott will simulate a lyf product at SMU to test out various coliving concepts at the 32,000 square feet lab named lyf@SMU, which will provide usage data to shape the design and offerings of upcoming lyf properties. Ascott aims to have 10,000 units under the lyf brand globally by 2020.

In April 2017, Ascott advanced into South America with franchise agreements for first two serviced residences in São Paulo, Brazil. Ascott also signed an agreement with an intent to establish a portfolio of at least 5,000 Citadines branded units in São Paulo. In addition, Ascott secured its first property on Jeju Island, Somerset Jeju Shinhwa World, expanding Ascott's network beyond Seoul and Busan in Korea.

In a bid to enrich communities where it operates, over 280 CapitaLand properties worldwide rallied stakeholders to adopt greener sustainable lifestyle practices as part of a ramped-up Earth Hour campaign that also offered 1.2 million STAR\$® rewards on CapitaStar digital platform.