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CapitaLand bolsters core city clusters strategy in China with addition of 1.2 million sq ft retail GFA in Guangzhou and Chengdu through management contracts

Expansion strategy gathers momentum with 10 retail management contracts secured in less than two years

Singapore, 19 June 2018 – CapitaLand Retail, CapitaLand’s wholly owned shopping mall business, announced today that it has clinched two new management contracts in China. In Guangzhou, CapitaLand will be adding its first managed mall to its fast-growing portfolio comprising CapitaMall SKY+ and CapitaMall Rock Square, which it completed acquisition just this January. In Chengdu, CapitaLand will be expanding its market-leading network of malls to seven with the addition of its second managed mall. These partnerships deepen CapitaLand’s presence in two of China’s fastest-growing cities and fortify its retail network by adding over 1.2 million square feet (sq ft) of Gross Floor Area (GFA) excluding car park.

Mr Wilson Tan, CEO of CapitaLand Retail, said: “Since announcing in August 2016 our intent to grow our retail footprint through management contracts, CapitaLand has signed 10 agreements with a total GFA of about 5.3 million sq ft. The growth momentum attests to the scalability and the value of CapitaLand’s best-in-class retail operating platform. With these new contracts, CapitaLand will further strengthen our leasing synergies across the portfolio of malls and increase our reach to the high-growth retail markets in Guangzhou and Chengdu. Including these two managed malls, 47 of our 51 malls in China are located in first- and second-tier cities. This is in line with our commitment to grow our retail portfolio with a focus on dominant assets located in core cities clusters.”

In Guangzhou, CapitaLand will manage the retail component of THE GRAND CITY (广晟万博城), a landmark integrated development in Wanbo CBD in Panyu District, on behalf of Guangzhou Wan Shun Investment Management Co. Ltd (广州市万舜投资管理有限公司). Wanbo CBD is an up-and-coming regional business centre that has been attracting investments under the government’s masterplan. With this contract, CapitaLand’s retail network in South China comprises five malls, of which three are in Guangzhou, spanning a total retail GFA of 3.6 million sq ft.

In Chengdu, Chengdu Lide Commercial Industrial Co. Ltd (成都利德商用实业有限公司) has appointed CapitaLand to manage an open-lane, low-rise shopping mall in Qingyang District, a

thriving business and cultural centre. The strategically located mall is less than two kilometres from the iconic Tianfu Square in Chengdu's city centre. This agreement marks CapitaLand's seventh mall in Chengdu and its second managed mall in the city after CapitaMall Leshijie, which CapitaLand signed on to manage last June. Across West China, CapitaLand owns and manages 11 malls, spanning 11.3 million sq ft in retail GFA. These include the operational Raffles City Chengdu and the upcoming Raffles City Chongqing, which has set a world record for the tallest horizontal skyscraper linking the most number of towers.

Mr Tan added: "CapitaLand continues to be positive about China's retail sector, which is experiencing growth in both offline and online sales. Our expansion strategy enables CapitaLand to seize growth opportunities with agility while reaping economies of scale. We will continue to identify opportunities to grow our retail operating platform, reinforcing our position as the region's leading mall operator and complement CapitaLand's core business of owning and developing shopping malls."

This year, CapitaLand targets to open five malls in China, spanning a total retail GFA of about 4.2 million sq ft. They are CapitaMall LuOne and Alibaba Shanghai Center in Shanghai, CapitaMall Tiangongyuan in Beijing, CapitaMall 180 in Foshan and CapitaMall ONE in Changsha.

China's economy has been transitioning steadily towards a consumption-led model. In 2017, China's GDP grew 6.9% year-on-year to RMB82.7 trillion, of which consumption accounted for 58.8%. National retail sales increased 10.2% year-on-year to RMB36.6 trillion, while national urban disposable income and expenditure per capita grew 6.5% and 5.4% respectively. In the same year, Guangzhou's economy grew 7.0%, while urban disposable income per capital and expenditure per capita grew 8.8% and 9.0% year-on-year respectively. Chengdu's GDP and urban disposable income per capita grew 8.1% and 8.4% year-on-year respectively.

Please refer to the Annex for more details on the two new malls that CapitaLand will be managing.

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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Mall at THE GRAND CITY, Guangzhou

Located in Panyu District, THE GRAND CITY integrated development is a local landmark comprising a shopping mall that is connected to a shopping street, a 266-metre-tall Grade-A office tower, two residential towers and an international five-star hotel. It is directly linked to Nancun Wanbo Metro Station, the interchange for Line 7 and the upcoming Line 18. As Panyu District matures, the mall will serve an estimated population catchment of 1 million residents and working professionals within a five-kilometre radius. CapitaLand will oversee part of the asset planning as well as pre-opening and retail management for the 10-storey mall – eight levels above ground and two basement levels – that has a GFA, excluding carpark, of about 733,000 sq ft. The mall is targeting to open in 2021.

Mall at Qingyang District, Chengdu

Situated in Qingyang District, the mall is a green and cultural oasis in the making, surrounded by historic landmarks and tourist hotspots such as Kuanzhai Alley, Wuhou Memorial Temple and Du Fu Thatched Cottage. The shopping mall is highly accessible via major arterial roads and is within walking distance from several metro stations including Chengdu University of TCM & Sichuan Provincial People's Hospital Metro Station, the interchange for Lines 2 and 4; Tonghuimen Metro Station, which serves Line 2 and Qingyang Temple Metro Station, which serves Line 5. When it opens, the mall will serve a ready catchment of residents, working professionals, students and tourists. CapitaLand will undertake pre-opening and retail management of the six-storey mall – four levels above ground and two basement levels – spanning a GFA, excluding car park, of about 535,000 sq ft. The mall is targeting to open in 2020.