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**CapitaLand crosses 12 million sq ft of retail GFA in western China  
with signing of new shopping mall management contract in Xi'an**  
*Asset-light expansion strategy gathers momentum with second mall  
management contract inked in five months*

**Singapore, 10 January 2017** – CapitaLand Mall Asia, the wholly owned shopping mall business of CapitaLand Limited, has inked its second management contract within a span of five months. CapitaLand will manage the shopping mall in La Botanica, a township located in Xi'an's Chan-Ba Ecological District that is being developed by CapitaLand-Henderson (Xi'an) Property Development Co. Ltd., a joint venture between CapitaLand Limited and Hong Kong-based Henderson Land. This deal comes hot on the heels of CapitaLand's announcement last August that it is managing the retail component of Fortune Finance Center in Changsha, China, for Changsha Pilot Investment Holdings. It also follows the acquisition of CapitaMall Xinnan (formerly Galleria, Chengdu) by CapitaLand Retail China Trust in September last year.

Mr Jason Leow, CEO of CapitaLand Mall Asia, said: "We are fast-tracking the growth of our shopping mall network in western China to capitalise on the region's favourable economic prospects, which have been boosted by the Chinese government's Western China Development Programme, One Belt, One Road economic initiative as well as the Sino-Singapore Chongqing Connectivity Initiative. CapitaLand's asset-light expansion strategy through management contracts will continue to gather momentum with this deal in Xi'an, and complement our core strategy of developing, owning and managing malls. By leveraging the expertise of our experienced team in western China to manage the mall in La Botanica, we will further benefit from the network effect of CapitaLand's growing mall portfolio in the region and enjoy greater cost efficiencies in mall management."

Under the contract, CapitaLand will oversee asset planning, pre-opening and retail management for a five-storey shopping mall – four levels above ground and one basement level – with a Gross Floor Area (GFA), excluding car park, of about 50,000 square metres (sq m). Expected to commence operations in 2019, the new mall will double CapitaLand's retail presence in Xi'an, where it currently owns and manages CapitaMall Xindicheng, a 60,000 sq m one-stop shopping mall located near the prime Xiaozhai and Gaoxin areas, about 10 kilometres (km) south of La Botanica.

Including the mall in La Botanica, CapitaLand now manages a portfolio of 14 shopping malls in western China with a combined retail GFA of about 1.13 million sq m (12.1 million square feet). The region is also home to two of CapitaLand's flagship Raffles City integrated developments – Raffles City Chengdu, which opened in 2012; and Raffles City Chongqing,

Singapore's single largest investment in China at RMB24 billion (about S\$5.0 billion) that will be opening in phases from 2018.

Mr Leow added: "As more of these malls open and turn fully operational, it will position CapitaLand well to deliver sustainable returns in the near future with positive knock-on effect on our ROE. This year, CapitaLand is preparing to open eight more malls, of which six will be in China. As we continue to enhance our retail scale and network through acquisitions and management contracts; we will also look at reconstituting our portfolio to achieve an optimal asset mix to provide us with stability and a strong recurring income stream."

Mr Wu Xian Yue, General Manager of CapitaLand-Henderson (Xi'an) Property Development Co. Ltd., said: "La Botanica is envisioned to be a world-class garden city that will enrich the lives of communities living in Xi'an. The project is located in Chan-Ba Ecological District, which is also the focus of the development of the region in Xi'an. With CapitaLand's extensive retailer network of about 15,000 leases and deep expertise in mall management across Asia, we are confident that CapitaLand will be able to maximise the retail potential of the upcoming shopping mall and further contribute to the success of the La Botanica township."

### **La Botanica**

La Botanica is a sprawling township strategically located in the heart of Chan-Ba Ecological District, a planned urban area integrating ecological, commercial, residential and cultural components that has been identified as a key development project under Xi'an's 11<sup>th</sup> Five-Year Plan. Targeted for full completion in 2023, the township spans three million sq m, of which about 87% is set aside for residential use. To date, La Botanica has sold 98% of the 13,635 apartment units launched, with plans for another approximate 15,000 units in the pipeline. The township also comprises over 310,000 sq m of commercial zone, a 50,000 sq m central park, seven community schools, a general hospital, as well as other amenities.

The shopping mall sits in the heart of La Botanica's commercial zone and will be served by arterial roads, 20 bus routes as well as Chan River Station on metro Line 1. When completed, the shopping mall will be a focal point for the community, and is expected to serve an estimated 600,000 residents and working professionals living within a 5-km radius of the mall. The population catchment is projected to reach about 1 million in the next four years.

Positioned as the economic nexus of Shaanxi Province in western China, Xi'an registered a GDP growth of about 8.2% in 2015, higher than China's national average of 6.9%, while per capita disposable income rose about 8%, outpacing the national average of 7.4%. Retail sales in Xi'an reached RMB340 billion in 2015, an approximate 42% increase from the RMB240 billion three years before. These indicators bode well for Xi'an's retail growth prospects.

### **About CapitaLand Mall Asia**

CapitaLand Mall Asia, a wholly-owned subsidiary of CapitaLand Limited, is one of the largest shopping mall developers, owners and managers in Asia by total property value of assets and geographic reach. CapitaLand Mall Asia has an integrated shopping mall business model encompassing retail real estate investment, development, mall operations, asset management and fund management capabilities. It manages a pan-Asian portfolio of 104 shopping malls across 52 cities in Singapore, China, Malaysia, Japan and India, with a gross floor area of approximately 99.5 million sq ft.

Shopping malls in the portfolio include ION Orchard and Plaza Singapura – which are located in one of the world's most famous shopping streets, Orchard Road – Raffles City Singapore and Clarke Quay in Singapore. Its landmark shopping malls in China are CapitaMall Crystal in Beijing; Hongkou Plaza in Shanghai and Raffles City Shanghai; CapitaMall SKY+ in Guangzhou; and CapitaMall Jinniu in Chengdu. The portfolio also includes Gurney Plaza in Penang, Malaysia; Olinas Mall in Tokyo, Japan; as well as The Forum Sujana Mall in Hyderabad, India.

CapitaLand Mall Asia's principal business strategy is to invest in, develop and manage a diversified portfolio of real estate used primarily for retail purposes in Asia, and to strengthen its market position as a leading developer, owner and manager of shopping malls in Asia.

### **About CapitaLand Limited ([www.capitaland.com](http://www.capitaland.com))**

CapitaLand is one of Asia's largest real estate companies headquartered and listed in Singapore. The company leverages its significant asset base, design and development capabilities, active capital management strategies, extensive market network and operational capabilities to develop high-quality real estate products and services. Its diversified global real estate portfolio includes integrated developments, shopping malls, serviced residences, offices and homes. Its two core markets are Singapore and China, while Indonesia, Malaysia and Vietnam have been identified as new growth markets. The company also has one of the largest real estate fund management businesses with assets located in Asia.

CapitaLand's listed real estate investment trusts are CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust.

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**Issued by: CapitaLand Limited (Co. Regn.: 198900036N)**

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