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**CapitaLand continues portfolio reconstitution strategy by divesting  
a group of companies that own 20 retail assets in China**  
*Gearing up for next stage of growth with optimised portfolio as the Group  
continues to deepen presence and build dominance in China*

**Singapore, 5 January 2018** – Following record mall openings last year, CapitaLand continues to proactively optimise its shopping mall portfolio to gear up for future growth. Through its wholly owned shopping mall business CapitaLand Mall Asia, CapitaLand has entered into agreements with unrelated parties to divest its share of interest in a group of companies that hold 20 retail assets with an agreed value of RMB8,365.0 million (about S\$1,705.9 million). Each mall has an average gross floor area (GFA), excluding car park, of about 40,000 square metres (sq m). They are spread across 19 cities, of which 14 are non-core cities where CapitaLand has a single mall in each.

Targeted for completion in 2Q this year, this transaction is expected to generate for CapitaLand net proceeds of about S\$660.0 million and a net gain of about S\$75.0 million. The loss of recurring income arising from this transaction will be limited, as these 20 malls accounted for approximately 4% and 7% of CapitaLand's respective total and China shopping mall portfolio valuation as at 30 June 2017. This round of mall portfolio reconstitution follows CapitaLand's divestment of CapitaMall Kunshan in the Chinese city of Kunshan last month, and the formation of a joint venture between CapitaLand and CapitaLand Retail China Trust last November to acquire Rock Square, a leading 84,000-sq m shopping mall in the first-tier city of Guangzhou.

Mr Lim Ming Yan, President and Group CEO of CapitaLand Limited, said: "China is now sitting on the cusp of transformative changes to its retail industry, characterised by a burgeoning middle class and the rising popularity of omni-channel retailing. CapitaLand is thus seizing this window of opportunity to reconstitute our mall portfolio with a sharper geographical focus that enhances our capacity to capture growth opportunities in China. Unlocking the value of mature assets for reinvestment into new growth opportunities is a hallmark of CapitaLand's capital recycling strategy. We will continue to invest in dominant assets in core Chinese city clusters, where we already enjoy a competitive advantage. The rejuvenated portfolio will enable CapitaLand to respond more effectively to the paradigm shifts in Chinese consumer behaviours, and strengthen our position as we continue to tap the growth in China's rapid urbanisation."

Mr Lim added: "China is an important core market for CapitaLand and we hold a long-term view of our business in the country. Our growing track record has enabled CapitaLand to progressively embark on bigger and more sophisticated projects in prime locations of top-tier cities, which offer higher returns on our investments. CapitaLand's competitive advantage in

integrated developments, which harnesses the Group's multi-sectoral expertise, acts as a key differentiator to enhance the resilience of our shopping mall business."

In 2017, CapitaLand opened a record 1 million sq m of retail space across eight developments in Singapore, China and Malaysia – its largest retail space offering in a single year. Of these, six are sizeable retail components of large scale integrated developments in China, averaging about 130,000 sq m in retail GFA each. Being a part of integrated developments enables these malls to tap into ready catchments of residents, working professionals and travellers who live, work and play all in one location. These six developments are located in fast-growing Chinese cities, namely Shenzhen, Shanghai, Hangzhou, Suzhou and Wuhan, which are part of CapitaLand's five core city clusters.

Mr Jason Leow, Group Chief Operating Officer of CapitaLand Limited, who also has oversight responsibilities on the growth of the Group's retail business, said: "The opening of six strong yielding malls and acquisition of Rock Square are expected to lift our China malls' net property income in 2018, even after taking into account the impact of the divestments. This is a validation of our 'core city clusters, dominant assets' strategy of maximising returns on our investments. Post-divestment, CapitaLand's mall network in China will be concentrated in 22 cities, compared to 36 before. This will allow us to better optimise our resource allocation to build meaningful scale in core city clusters. We will continue to grow our mall business through acquisitions and proactive portfolio management, to achieve an optimal asset mix that provides us with stability and a strong recurring income stream."

Post-divestment, CapitaLand's shopping mall network in China will comprise 49<sup>1</sup> malls, of which 45 are located in first- and second-tier cities. More than half of the malls are the retail component of integrated developments. Among the Chinese cities, CapitaLand has the largest retail presence in Beijing and Shanghai where it owns/manages eight malls each, followed by Chengdu with six and Wuhan with four. Following the acquisition of Rock Square, CapitaLand will have two malls in Guangzhou.

The five core city clusters under CapitaLand's China strategy are Beijing/Tianjin, Shanghai/Hangzhou/Suzhou/Ningbo, Guangzhou/Shenzhen, Chengdu/Chongqing/Xi'an, and Wuhan.

Please refer to the Annex for the listing of the 20 malls.

**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, it is an owner and manager of a global portfolio worth S\$85 billion as at 30 September 2017, 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.

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<sup>1</sup> Including Rock Square, whereby its acquisition by a joint venture between CapitaLand and CapitaLand Retail China Trust was announced on 28 November 2017.

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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**ANNEX**

<b>S/N</b>	<b>Mall</b>	<b>City</b>
1	CapitaMall Beiguan	Anyang
2	CapitaMall Chengnanyuan	Nanchang
3	CapitaMall Cuiwei	Beijing
4	CapitaMall Deyang	Deyang
5	CapitaMall Dongguan	Dongguan
6	CapitaMall Guicheng	Foshan
7	CapitaMall Jinshui	Zhengzhou
8	CapitaMall Jiulongpo	Chongqing
9	CapitaMall Maoming	Maoming
10	CapitaMall Nan'an	Yibin
11	CapitaMall Quanzhou	Quanzhou
12	CapitaMall Shapingba	Chongqing
13	CapitaMall Shawan	Chengdu
14	CapitaMall Taohualun	Yiyang
15	CapitaMall Weifang	Weifang
16	CapitaMall Yangzhou	Yangzhou
17	CapitaMall Zhangzhou	Zhangzhou
18	CapitaMall Zhanjiang	Zhanjiang
19	CapitaMall Zhaoqing	Zhaoqing
20	CapitaMall Zibo	Zibo