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CapitaLand ramps up Vietnam pipeline with acquisition of prime residential site in Ho Chi Minh City for S\$81.4 million

Strengthens foothold in high-growth markets as the Group makes its third acquisition within a month

Singapore, 30 August 2018 – Continuing its steady expansion in Vietnam, CapitaLand is acquiring a prime site in Ho Chi Minh City for VND1,380 billion (about S\$81.4 million). Measuring over 60,000 square metres in total area, CapitaLand is set to build on this site its 13th residential development in Vietnam. The development is expected to yield more than 100 landed residential units, targeted for completion by 2021. This is CapitaLand’s third acquisition within a month as it actively replenishes its land bank and strengthens foothold in high-growth developed and emerging markets.¹

The target site is in Binh Trung Dong Ward in the fast-growing District 2 of Ho Chi Minh City; where amenities such as international schools, shopping malls, supermarkets as well as food and beverage outlets are aplenty. It is next to Ho Chi Minh City’s Ring Road 2 and six kilometres to the Phu My Bridge, providing convenient access to various key destinations. The Cat Lai Port and Thu Thiem – the new financial centre and urban area of Ho Chi Minh City are close by, while the Central Business District in District 1, Saigon Hi-Tech Park in District 9 and new Phu My Hung urban area in District 7 are a 10-minute drive away. Near the site, several major infrastructure developments such as the construction of the My Thuy interchange and Cat Lai bridge are underway. When completed, these will further enhance the connectivity of the area.

Mr Lim Ming Yan, CapitaLand’s President & Group CEO, said: “We are pleased to bag another highly coveted site in Vietnam, where our ninth residential development in the fast-growing District 2 of Ho Chi Minh City will be built. Strong economic development, rapid urbanisation and the rising affluence of its population continue to fuel demand for quality residential developments in the country. CapitaLand has been seeing year-on-year growth in our Vietnam home sales, which are continually contributing to the Group’s earnings. As of 30 June 2018, 93% of CapitaLand’s launched residential units in Vietnam have been sold. We expect to hand over more than 30% of the 2,680 units in Vietnam that have been sold at approximately S\$811 million in the second half of 2018.”

“This is CapitaLand’s third acquisition in the month of August, as we continue our momentum in replenishing our land bank. It is in line with our strategy to reconstitute our portfolio by

¹ Earlier in August, [CapitaLand’s joint venture won the bid for an attractive mixed-use residential and commercial site in Sengkang Central, Singapore](#). It also [successfully clinched two prized residential sites in Guangzhou, China](#).

deploying capital gain into higher yielding assets in high-growth markets such as Vietnam. CapitaLand will continue with our disciplined investment approach to build a sustainable residential pipeline, while ensuring an optimal mix between trading and investment properties, as well as a balanced allocation between emerging markets and developed markets.”

Mr Chen Lian Pang, CEO of CapitaLand Vietnam, added: “D2eight, our first landed residential development in Vietnam, was sold out within a day of its launch on 8 April 2018. This demonstrates the customers’ confidence in CapitaLand’s projects and underscores the robust demand for quality landed residential properties in the market. Landed property transactions dominated Ho Chi Minh City’s residential transactions with a high absorption rate of 66% in 2Q 2018.² Our acquisition of this site in Ho Chi Minh City’s District 2 for landed development is therefore a strategic and timely addition to our residential pipeline. Given the site’s location and connectivity, coupled with CapitaLand’s building expertise and experience, we are confident that the landed development will appeal to homebuyers and investors seeking international quality, well-designed homes with good potential for capital appreciation.”

In the first half of 2018, Vietnam’s GDP grew at over 7%, the highest in seven years. CapitaLand sold 619 residential units in Vietnam with a higher sales value of S\$209 million over the same period in 2017. It handed over 724 residential units with a sales value of S\$132 million to home buyers.

Vietnam is the third largest market for CapitaLand in Southeast Asia, after Singapore and Malaysia. Earlier this year in March, CapitaLand announced a joint venture to develop a 0.9-hectare site in Tay Ho District in Hanoi to build an integrated development, catering to the needs for vibrant live-work-play spaces. This latest acquisition will add to CapitaLand’s existing S\$1.1 billion portfolio in Vietnam comprising two integrated developments, close to 8,000 quality homes across 12 residential developments, two retail malls, and more than 4,800 serviced apartment units in 21 serviced residences across seven cities – Ho Chi Minh City, Hanoi, Hai Phong, Halong, Danang, Binh Duong and Nha Trang.

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 over S\$93 billion as at 30 June 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.

² “Savills Ho Chi Minh City Market Report 2Q 2018” (July 2018), Savills Vietnam

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