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NEWS RELEASE

**CapitaLand to scale up with target of six new funds
Worth up to S\$10 billion by 2020**

Wholly owned Ascott gets first boost through US\$600 million tie-up with QIA

Singapore, 13 July 2015 – CapitaLand Limited's wholly owned serviced residence business unit, The Ascott Limited (Ascott), has entered into a 50:50 joint venture with Qatar Investment Authority (QIA) to set up a US\$600 million (approximately S\$809 million) serviced residence fund with an initial focus on the Asia Pacific and Europe regions. This is Ascott's largest private equity fund to date. With a target to launch six new funds with total assets under management (AUM) of up to S\$10 billion by 2020, this joint venture is part of CapitaLand's efforts to further grow its fund management business and pursue market opportunities with a stable of blue chip capital partners.

Mr Lim Ming Yan, President & Group CEO of CapitaLand Limited, said: "Real estate is a capital intensive business and fund management is central to the active capital management strategy of CapitaLand as a dominant real estate player. This tie-up with QIA is a good example of how we are proactively working with strong capital partners to build up scale. With Ascott's newly set up global serviced residence fund, CapitaLand now manages 17 real estate private equity funds and five real estate investment trusts (REITs) with AUM worth over S\$43 billion. This Ascott global serviced residence fund brings us a step closer towards our goal of raising five to six funds with total AUM of S\$8-10 billion by 2020."

Mr Lim added: "As real estate capital values rise with the growing intensity of competition for assets, CapitaLand's deep presence in many key gateway cities, our strong fund management expertise across various asset classes, from integrated developments, residential, shopping malls to serviced residences as well as our established developer-owner-operator capabilities, will allow us to deliver better risk-adjusted returns for investors. CapitaLand's strong balance sheet and stable of REITs also give us the ability to stay invested for the long term in assets with longer gestation periods. This, together with our ability to co-invest with our capital partners, aligns us with capital partners with longer investment horizon such as sovereign wealth funds, pension funds and insurance companies."

QIA is a global investment institution and a preferred partner of choice for investors, financiers and other stakeholders. Through the partnership in serviced residences, Ascott and QIA will each contribute US\$300 million (approximately S\$405 million) of equity funds to the joint venture.

The fund will invest in serviced residences or rental housing properties with an initial focus on the Asia Pacific and Europe regions, for a term of 10 years with an investment period of three years. It will invest in development, redevelopment and turnkey opportunities, as well as acquire suitable projects for asset enhancement, repositioning or conversion into serviced residences and rental housing properties. Subject to pre-existing contractual obligations that Ascott has, the fund will have exclusive rights over deals that are available to Ascott during the fund's investment period. The joint venture will also grant Ascott a first right to manage the properties that it acquires.

Mr Lee Chee Koon, Ascott's CEO, said: "Ascott is adopting a co-investment approach in this 50:50 strategic partnership with QIA, as a testament of our strong alignment of interest with our capital partners. As Ascott steps up on investments to expand our presence globally, this serviced residence fund will provide the financial backing to support our acquisitions and accelerate Ascott's growth to achieve our target of 80,000 apartment units globally by 2020. We will also be able to increase our fee-based income as Ascott has the first right to manage the properties that the fund acquires. We look forward to the many attractive opportunities ahead to put this capital to good work as we build a long-term partnership with QIA."

Ascott currently manages a US\$500 million Ascott China Fund that invests in serviced residences across China and it was fully invested by 2011. To date, Ascott China Fund has already divested 6 out of 11 of its assets, which constitutes about 60% of its invested capital. Ascott also manages a JPY12.6 billion ARC CapitaLand Residences Japan Fund that invests in rental housing properties in Japan. CapitaLand manages private equity funds which are invested in its Raffles City developments in China, retail malls across China, India and Japan, as well as residential and township projects in China. CapitaLand's listed REITs are Ascott Residence Trust, CapitaLand Commercial Trust, CapitaLand Mall Trust, CapitaLand Retail China Trust and CapitaMalls Malaysia Trust. CapitaLand derived S\$145 million of fees from non-listed real estate and REIT management activities in 2014, about 4% of the Group's revenue.

According to the recent 2015 Fund Manager Survey jointly conducted by the Asian Association for Investors in Non-listed Real Estate Vehicles Limited (ANREV), the European Association for Investors in Non-Listed Real Estate Vehicles (INREV) and the National Council of Real Estate Investment Fiduciaries (NCREIF) in the United States, CapitaLand is the largest fund manager in Asia Pacific and ranked No.12 globally based on total real estate AUM it managed in 2014.

About CapitaLand Limited (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 Ascott Residence Trust, CapitaLand Commercial Trust, CapitaLand Mall Trust, CapitaLand Retail China Trust and CapitaMalls Malaysia Trust.

About The Ascott Limited

The Ascott Limited is a Singapore company that has grown to be the world's largest international serviced residence owner-operator. It has over 26,000 operating serviced residence units in key cities of Asia Pacific, Europe and the Gulf region, as well as about 15,000 units which are under development, making a total of more than 41,000 units in over 200 properties.

The company operates three award-winning brands – Ascott, Citadines and Somerset. Its portfolio spans 92 cities across 26 countries, 23 of which are new cities in Ascott's portfolio where its serviced residences are being developed.

Ascott, a wholly owned subsidiary of CapitaLand Limited, pioneered Asia Pacific's first international-class serviced residence with the opening of The Ascott Singapore in 1984. In 2006, it established the world's first Pan-Asian serviced residence real estate investment trust, Ascott Residence Trust. Today, the company boasts over 30 years of industry track record and award-winning serviced residence brands that enjoy recognition worldwide.

Ascott's achievements have been recognised internationally. Recent awards include World Travel Awards 2014 for 'Leading Serviced Apartment Brand' and 'Leading Serviced Apartments' in Belgium, France, Germany, Indonesia, the Philippines, Singapore, Thailand and Vietnam, Business Traveller Middle East Awards 2015 for 'Best Serviced Apartment Company Middle East', Business Traveller Asia-Pacific Awards 2014 for 'Best Serviced Residence Brand' and 'Best Serviced Residence', Business Traveller UK Awards 2014 for 'Best Serviced Apartment Company', Business Traveller China Awards 2014 for 'Best Serviced Residence Brand' and 'Best Serviced Residence', TTG China Travel Awards 2015 for 'Best Serviced Residence Operator in China' and DestinAsian Readers' Choice Awards 2015 for 'Best Serviced Residence Brand'.

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

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