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NEWS RELEASE

CapitaLand acquires its first hyperscale data centre campus in China for RMB3.66 billion

***Expansion into one of the world's largest data centre markets reinforces
CapitaLand's ambition to grow data centres into a global business***

Singapore, 28 April 2021 – CapitaLand is investing RMB3.66 billion (approximately S\$757.7 million¹) to acquire its first hyperscale data centre campus in China, the world's second largest data centre market and the largest in Asia Pacific². The acquisition is via the purchase of 100% equity interest in two companies registered in China. Located in Minhang District, an established data centre hub in Shanghai, the operating data centre campus serves two of China's largest telecommunications companies. The hyperscale data centre campus comprises four buildings with a gross floor area of up to 75,000 square metres and up to 55 megawatts of IT power capacity. CapitaLand is acquiring the data centre campus from AVIC Trust, an investment arm of Shanghai-listed AVIC Capital, and from an unrelated third-party vendor. The acquisition is expected to be completed by 3Q 2021, subject to fulfilment of certain conditions precedent.

CapitaLand's strategic decision to expand into new economy assets such as data centres, capitalises on the increasing global connectivity and demand for data which has accelerated amid COVID-19. CapitaLand aims to grow its data centre portfolio into a global business by leveraging its in-house data centre design, development and operational capabilities.

Ms He Jihong, Chief Executive Officer, Data Centre, and Chief Corporate Strategy Officer, CapitaLand Group, said: "5G, artificial intelligence and big data are driving the growth of the digital economy and creating strong demand for data centres. Data centres are a growing new economy asset class and represent a global investment opportunity and a key strategic business focus for CapitaLand. We have built core competencies in data centre design, development and operations, and we will look to deploy our expertise to key markets as we grow our data centre portfolio globally. Our team has successfully redeveloped 9 Tai Seng Drive into a co-location data centre in Singapore, and leased it to leading technology customers. In recognition of the Group's reputation as a sustainability leader, 9 Tai Seng Drive has also received the top rating of Green Mark Platinum for data centres by Singapore's Building and Construction Authority and Infocomm Media Development Authority. In Europe, CapitaLand's business space and industrial REIT, Ascendas Real Estate Investment Trust (Ascendas Reit) recently acquired 11 data centres in key markets that complement its existing data centre portfolio in Singapore, expanding its presence into key European data markets."

¹ Exchange rate of RMB1 to S\$0.20703.

² Data Centre Dynamics: APAC cloud, data centre providers see brisk growth.

Ms He added: “CapitaLand’s track record in developing high quality properties, and our commitment to delivering a seamless experience to our global customers, will continue to define and differentiate us. In our core markets, we will leverage our existing local expertise and networks to further grow our data centre portfolio. In addition to acquiring operating assets, we have the capability to develop data centres on greenfield sites and acquire brownfield projects, drawing on CapitaLand Group’s ecosystem of capital and business partners. For example, in China we are exploring opportunities with established partners such as AVIC Trust to invest more in this sector. In India, we are considering data centre opportunities in partnership with Ascendas India Trust.”

Mr Puah Tze Shyang, Chief Executive Officer, Investment and Portfolio Management, CapitaLand China, said: “CapitaLand’s entry into the data centre market in China will further diversify our portfolio across asset classes and build more operating capabilities. This is in line with the Group’s strategy to pivot into new economy assets in the country. We see strong potential to expand our data centre portfolio in cities such as Shanghai, Beijing, Shenzhen and leverage our growing base of new economy assets to bolster our fund management business in tandem. We may also look for opportunities to take strategic positions in data centre operating platforms to accelerate our growth in a key market like China. CapitaLand has the resources and reach to help these platforms grow their presence in other parts of Asia. We will continue to look for new investments that stand to benefit from China’s economic transformation.”

In Asia Pacific, the data centre industry is forecast to grow at a double-digit compound annual growth rate (CAGR) by 2024³. China’s data centre market is expected to grow at a CAGR of 30%⁴, supported by strong demand from cloud service providers and new emerging wholesale customers⁵.

Located near the heart of Shanghai in Minhang District, the hyperscale data centre campus is well-connected by public transport and highway networks. The campus is operated by Daily-Tech, a developer and operator of data centres across China. In line with CapitaLand’s 2030 Sustainability Master Plan, the data centre campus adopts sustainable design principles and green building standards. These include features to reduce energy such as intelligent energy management systems, free cooling and energy-efficient chillers.

CapitaLand’s data centre portfolio

The Group currently has four data centres in Singapore, 11 in Europe, and it is the fund and asset manager for the development of a data centre in Korea. In Singapore, CapitaLand owns 9 Tai Seng Drive under its balance sheet and operates the data centre, while Ascendas Reit owns three data centres - Telepark, Kim Chuan Telecommunications Complex and 38A Kim Chuan Road. In March 2021, Ascendas Reit’s data centre portfolio expanded to the United Kingdom (four properties), the Netherlands (three properties), France (three properties) and Switzerland (one property).

³ Cushman and Wakefield: Data centres in Southeast Asia poised for rapid growth.

⁴ JLL: New infrastructure to drive China data centre surge.

⁵ DBS: China’s data centre sector set for strong growth.

Leveraging CapitaLand's fund management capabilities, the Group set up its first data centre private fund with 100% third-party capital in October 2020. The Korea Data Centre Fund 1 will invest in an off-market data centre development project in South Korea, near Seoul's key business districts and adjacent to SangAm Digital Media City. CapitaLand originated and structured the investment for the fund investors and will lead the planning and development of the data centre as well as earn fee income as a fund and asset manager.

With this latest acquisition, the Group's combined data centre portfolio represents more than S\$2.5 billion in real estate assets under management.

CapitaLand's presence in China

Since CapitaLand's entry into China in 1994, it has expanded its portfolio to more than 200 properties in over 40 Chinese cities. The Group's diversified portfolio in China currently comprises commercial, retail, business park, integrated development, urban development, lodging and residential. CapitaLand has identified five core city clusters to focus its growth in China. They are Shanghai/Hangzhou/Suzhou/Ningbo, Beijing/Tianjin, Guangzhou/Shenzhen, Chengdu/Chongqing/Xi'an and Wuhan.

About CapitaLand Limited (www.capitaland.com)

CapitaLand Limited (CapitaLand) is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth about S\$132.5 billion as at 31 December 2020. CapitaLand's portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 230 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages six listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. CapitaLand launched Singapore's first REIT in 2002 and today, its stable of REITs and business trusts comprises CapitaLand Integrated Commercial Trust, Ascendas Real Estate Investment Trust, Ascott Residence Trust, CapitaLand China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

CapitaLand places sustainability at the core of what it does. As a responsible real estate company, CapitaLand contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

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