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**CapitaLand's RCCIP III fund in 50:50 JV with GIC to acquire
Shanghai's tallest twin towers for RMB12.8 billion**
Prime integrated development to be third Raffles City in Shanghai

Singapore, 13 November 2018 – CapitaLand, through Raffles City China Investment Partners III (RCCIP III), has formed a 50:50 joint venture with Singapore's sovereign wealth fund GIC to acquire Shanghai's tallest twin towers for an aggregate consideration of RMB12.8 billion (about S\$2.54 billion). Currently under development in Hongkou District, the prime asset will become CapitaLand's third Raffles City integrated development in Shanghai, which will also be its ninth in China and 10th globally. The acquisition is in line with the Group's strategy of growing its portfolio by leveraging its fund management capability. CapitaLand holds a 41.7% stake in RCCIP III, with the remaining interests held by investors from Asia, North America and the Middle East.

Sitting on a 4.05-hectare site along Huangpu River in North Bund, the integrated development has a total gross floor area (excluding car park) of 312,717 square metres¹ (sq m). It comprises two 50-storey premium Grade A office towers linked at the base by a seven-storey shopping mall. The development is directly linked to Line 12 and upcoming Line 19, two major metro lines with the highest number of interchange stations in the city. Standing at 263 metres, the towers offer stunning 270-degree panoramic views of Shanghai Bund and Lujiazui CBD on both sides of Huangpu River. The development has achieved structural completion and is expected to open in phases from 2H 2019.

Mr Lee Chee Koon, President & Group CEO, CapitaLand Group, said: "This acquisition gives CapitaLand a distinctive Raffles City in the fast-developing North Bund of Shanghai. CapitaLand is proud to work with a strong partner like GIC on this project, along with our partners in RCCIP III. Importantly, this prime asset will begin operations in phases from 2H 2019, giving us speed to market in the competitive Shanghai market, which continues to power ahead. CapitaLand remains the foreign developer with the largest portfolio under management in Shanghai, a strong market with the depth to support our third Raffles City integrated development. In line with our long-term belief in China, we will stay invested through market cycles to reap the compounding effects on our investments. CapitaLand remains on the active lookout for quality opportunities to deploy our capital into higher-yielding assets to improve our overall returns."

¹ Total GFA, including car park, is 421,170 sq m.

Mr Lucas Loh, President (China & Investment Management), CapitaLand Group, said: “We are pleased to add the newly acquired property to our signature Raffles City portfolio, which comprises the crème de la crème of CapitaLand’s integrated developments. Supported by CapitaLand’s established developer-owner-operator capabilities, our strong and robust Raffles City portfolio has become the envy of the industry. The Raffles City in North Bund is the second asset to be injected into RCCIP III; marking another successful execution of the fund’s mandate to invest in prime integrated developments in key gateway cities in China. We will continue to build on this traction to deliver robust returns to our investor partners and first-rate value to our customers.”

Shanghai is part of the five core city clusters under CapitaLand’s China strategy, which comprises Beijing/Tianjin, Shanghai/Hangzhou/Suzhou/Ningbo, Guangzhou/Shenzhen, Chengdu/Chongqing/Xi’an, and Wuhan. Including this latest acquisition, CapitaLand now owns/manages 20 commercial properties in Shanghai that span over 1.8 million sq m in GFA, of which eight are integrated developments with office and retail components.

In China this year, CapitaLand has to-date divested close to S\$2 billion worth of assets, which includes the divestment of a group of companies that held 20 non-core retail assets. CapitaLand will continue to optimise its China portfolio, with a view to enhance its readiness to seize growth opportunities.

Shanghai’s GDP crossed RMB3.0 trillion for the first time in 2017 – ranking top in China, second in Asia Pacific and 10th worldwide. Shanghai’s strong economic growth is supported by its population of more than 24 million, over 1,300 multinational corporations headquartered in the city, China’s busiest aviation hub and pro-business initiatives to attract foreign investments. In the first nine months of 2018, Shanghai’s property investment had already increased by 83% year-on-year to hit RMB23.5 billion².

As a key extension of Shanghai’s core CBD strategically located at the nexus of Puxi and Pudong CBDs, North Bund has attracted an influx of investments in recent years. In the first nine months of 2018, the average rent of Grade A offices in North Bund rose by 10%, higher than the citywide growth rate which held steady over the same period³. With limited new office supply coming onstream in Shanghai’s traditional CBDs, rent in North Bund is expected to grow further.

Please refer to **Annex A** and **Annex B** for more information about RCCIP III and Raffles City integrated developments respectively.

² China Knowledge, 30 October 2018, [Demand for commercial properties up in China](#).

³ Source: CBRE, Shanghai Office Market Update (Q1 / Q2 / Q3 2018).

Property Summary

Address	55 Haimen Road, Hongkou District, Shanghai
Description	Twin 50-storey office towers with a seven-storey shopping mall (four levels above ground and three basement levels) and three additional basement levels of car park
Site area	40,577 sq m
Height	263 m
GFA (excluding car park)	Office - 185,800 sq m Retail - 126,917 sq m Total - 312,717 sq m
Number of car park spaces	1,784
Land tenure expiry	Office - 2063 Retail - 2053
Architects	Pelli Clarke Pelli and Benoy

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, lodging, 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.

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Annex A

About Raffles City China Investment Partners III (RCCIP III)

Set up in 2016, RCCIP III is CapitaLand's third integrated development private investment vehicle in China. With a fund size of US\$1.5 billion, it marks the largest private capital raise CapitaLand has originated.

RCCIP III has a fund life of eight years and a mandate to invest in prime integrated developments in gateway cities in China. CapitaLand subscribes to a 41.7% sponsor stake in RCCIP III, with the remaining interests held by major investors from Asia, North America and the Middle East. RCCIP III is managed by CapitaLand Fund Management Pte. Ltd., an indirect wholly owned subsidiary of CapitaLand. The integrated development in North Bund, Shanghai is the second asset of RCCIP III.

CapitaLand also manages the US\$1.18 billion Raffles City China Income Ventures (RCCIV) that is invested in five developments – namely Raffles City Shanghai, Raffles City Beijing, Raffles City Chengdu, Raffles City Ningbo and Raffles City Hangzhou – as well as a S\$1.03 billion vehicle invested in Raffles City Changning, Shanghai.

Annex B

About Raffles City integrated developments

Located in city centres with excellent connectivity to key transport nodes and designed by world-renowned architects, CapitaLand's Raffles City developments are synonymous with architectural icons that symbolise their host cities' economic transformation. By serving as an enabler to catalyse an area's growth potential, Raffles City has become CapitaLand's most sought-after signature development in China as the country ramps up its urbanisation drive. Beyond being architectural and engineering feats, Raffles City developments embody CapitaLand's management and operational expertise in integrated developments across the different real estate components – shopping malls, lodging, offices and homes.

The "Raffles" name is closely associated with Singapore and the descriptor "City" connotes the central location and integrated nature of these developments. The first Raffles City opened in Singapore in 1986 with a groundbreaking "city within a city" concept that enables people to live, work and play seamlessly in a single unified space. As the biggest development then linking the Central Business District in Shenton Way to the shopping belt in Orchard Road, it boldly transformed Singapore's city landscape. It has since been thriving as a bustling city landmark, attracting tens of thousands of shoppers, working professionals, hotel guests and visitors daily.

The success of Raffles City Singapore paved the way for the brand to be exported to China. Including the new acquisition in North Bund, Shanghai, there are now nine Raffles City developments in China. Each of these developments varies in composition, but all of them are consistent in offering quality in both design and facilities.

No.	Development name	Year of opening
1	Raffles City Singapore	1986
2	Raffles City Shanghai	2004
3	Raffles City Beijing	2009
4	Raffles City Ningbo	2012
5	Raffles City Chengdu	2012
6	Raffles City Changning, Shanghai	2017
7	Raffles City Hangzhou	2017
8	Raffles City Shenzhen	2017
9	Raffles City Chongqing	2H 2019
10	Raffles City in North Bund, Shanghai	2H 2019

Raffles City Chongqing, the largest Raffles City development with 870,000 sq m of GFA excluding car park, is CapitaLand's and Singapore's single largest development in China at RMB24 billion (about S\$4.8 billion).