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**CapitaLand steps up capital management in China
through funds platform**

To inject two prime Shanghai office buildings into CAP I as seed assets

Singapore, 24 May 2019 – CapitaLand has been strengthening its portfolio by leveraging its robust fund management platform and there will be more reconstitution opportunities for its expanded portfolio further to the completion of the Ascendas-Singbridge transaction. This and other growth strategies will be shared by CapitaLand's senior management at an event later today that will unveil Raffles City The Bund as the name of the Group's 10th Raffles City development globally and its third in Shanghai. The event will be officiated by Guest-of-Honour Mr Edwin Tong, Singapore's Senior Minister of State for Law & Health, in the presence of more than 200 distinguished guests.

As part of its capital management strategy in China, CapitaLand has today entered into an agreement to divest its interest in companies that hold Innov Center in Shanghai's Yangpu District to CapitaLand Asia Partners I (CAP I), at a price that takes into account an agreed property value of RMB3,101 million (about S\$621 million). Targeted for completion in 3Q 2019, the proposed injection of Innov Center into CAP I comes a month after the discretionary real estate equity fund's first closing¹. Other pipeline assets for CAP I include Pufa Tower, an office development in Shanghai's prime Lujiazui CBD².

Mr Lee Chee Koon, President & Group CEO, CapitaLand Group, said: "Shanghai Innov Center, a predominantly office integrated development located in a mature, technology-focused decentralised office market, was acquired in 2017 to be the seed asset to kickstart CapitaLand's discretionary fund business. Since acquisition, CapitaLand, through our market-leading asset management capabilities, has successfully added significant value to the property through asset enhancement initiative and active leasing management, to meaningfully de-risk the property on behalf of CAP I investors. Upon the successful first closing of CAP I, the property will now be transferred to the fund from CapitaLand's balance sheet."

Mr Lee added: "Active and disciplined asset recycling is an important part of CapitaLand's strategy to enhance returns and to rejuvenate and rebalance our portfolio. To this end, we have set an annual divestment target of at least S\$3 billion. Looking ahead, CapitaLand's transformational transaction to acquire the business of Ascendas-Singbridge will strengthen our development pipeline, expand our slate of REITs and funds, and increase our scale in investment properties across geographies and asset classes. The enlarged CapitaLand

¹ [CAP I, which announced its first closing on 22 April 2019, is CapitaLand's maiden discretionary real estate equity fund to invest in commercial real estate in Asia's key gateway cities.](#)

² [CapitaLand and its partner own about 70% of Pufa Tower's gross floor area through a 50:50 joint venture.](#)

entity will also provide us with a robust pipeline of assets to enrich our fund management platform to build scale, synergy and sustainable growth in our core markets.”

Mr Lucas Loh, President & CEO of China, CapitaLand Group, said: “CapitaLand’s signature Raffles City portfolio demonstrates our established developer-owner-operator capabilities; it is also a hallmark of our successful fund management strategy in China. By working with capital partners in our investments, we have greater agility to seize quality acquisition opportunities. This is exemplified in the 50:50 joint venture between CapitaLand’s Raffles City China Investment Partners III³ and Singapore’s sovereign wealth fund GIC to acquire Raffles City The Bund last year. This landmark integrated development located in the heart of Shanghai’s North Bund has obtained Temporary Occupation Permit this month and will be opening in phases from 2H 2019.”

Mr Loh added: “With the added development expertise and opportunities in the urban development, business park and industrial sectors from the assimilation of Ascendas-Singbridge’s business, the enlarged CapitaLand portfolio will sharpen our competitive advantage across our five core city clusters in China. Leveraging our end-to-end value chain offerings ranging from investment and fund management to development and operations, we look forward to enhancing CapitaLand’s real estate ecosystem with our partners to meet the changing needs of Chinese consumers as China enters new stages of urbanisation and urban renewal.”

About Raffles City The Bund

Raffles City The Bund boasts the tallest twin towers in Shanghai. Standing at 263 metres, the towers offer stunning 270-degree panoramic views of the Shanghai Bund and Lujiazui CBD on both sides of the historic Huangpu River.

Located in the heart of North Bund, the development has a total gross floor area (excluding car park) of 312,717 square metres. It comprises two 50-storey premium Grade A office towers linked at the base by a seven-storey shopping mall. The development is served by a harbour and is directly linked to Line 12 and upcoming Line 19, two major metro lines with the highest number of interchange stations in Shanghai. Within a five-kilometre radius, it serves a population catchment of some 2.52 million residents.

Designed by Pellie Clarke Pelli Architects and Benoy, the retail component of this landmark development will herald new fashion and lifestyle trends and showcase world-class brands, theatre events and gourmet food from around the world. The office component is ready for occupation from 2H 2019, while the retail component is slated to open in 2020.

³ CapitaLand holds a 41.7% stake in Raffles City China Investment Partners III, with the remaining interests held by investors from Asia, North America and the Middle East.

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\$103 billion as at 31 March 2019, comprising integrated developments, shopping malls, lodging, offices, homes, real estate investment trusts (REITs) and funds. CapitaLand's market capitalisation is approximately S\$15 billion as at 31 March 2019. Present across more than 180 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, Europe and the USA.

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

Analyst contact

Grace Chen

Head, Investor Relations &

Capital Markets Compliance

Tel: +65 6713 2883

Email: grace.chen@capitaland.com

Media contact

Tan Bee Leng

Head, Group Communications

Tel: +65 6713 2871

Email: tan.beeleng@capitaland.com