

NEWS RELEASE

**CapitaLand Investment establishes two private funds in Japan and South Korea to grow funds under management by S\$688 million**

- ***Divests two office assets to the Japan private fund as part of CapitaLand Investment's capital recycling strategy***
- ***Launches third private fund in South Korea within a year to acquire new economy assets***

**Singapore, 3 November 2021** – CapitaLand Investment Limited (CLI) has established two private funds in Japan and South Korea to grow its funds under management<sup>1</sup> (FUM) by S\$688 million. The private fund in Japan has acquired CLI's interest in two existing commercial assets. In a deal secured by CLI, the private fund in South Korea has acquired two operating cold storage logistics properties from an unrelated third party. CLI has also invested alongside its capital partners, obtaining a minority stake in both funds.

CLI's private fund in Japan is fully deployed through the acquisition of CLI's interests in two commercial assets in Japan with FUM of about JPY 44.1 billion (S\$537.7 million<sup>2</sup>). CLI has a 4.98% stake in the fund while the remaining stake is held by new local institutional capital partners in Japan such as Keikyu Corporation, Taisei Corporation, Fuyo General Lease and Odakyu Real Estate. The fund's underlying assets include a 50% stake in Yokohama Blue Avenue and a 20% stake in Shinjuku Front Tower<sup>3</sup>. The other 50% stake in Yokohama Blue Avenue has concurrently been acquired by another CLI managed fund. CLI will remain as the asset manager of these two office buildings. The divestment proceeds will be recycled into new growth areas to expand CLI's portfolio in Japan.

Leveraging CLI's international deal sourcing capabilities, it has structured a private fund in South Korea via a joint venture with PGIM Real Estate<sup>4</sup>. CLI has a 5% stake in the fund while the remaining stake is held by PGIM Real Estate. The fund is fully deployed through the acquisition of two operating cold storage logistics properties with FUM of about KRW 127.1 billion (S\$150.3 million<sup>5</sup>). The two properties - Foodist Icheon Centre and Foodist Gyeongin Centre are located near Seoul. They are on long-term master leases with Foodist, a nationwide food wholesaler, generating stable fee-related income immediately.

Mr Lee Chee Koon, Group CEO of CLI said: "CLI's establishment of the two new private funds shortly after its public listing demonstrates capital partners' confidence in us as an asset-light,

<sup>1</sup> Refers to the share of total assets under listed and unlisted funds (private funds and/or investment vehicles (including but not limited to programmes, joint ventures and co-investments))

<sup>2</sup> Based on an exchange rate of JPY 1 to S\$0.01218 unless stated otherwise

<sup>3</sup> The remaining 80% of Shinjuku Front Tower is owned by other unrelated third parties

<sup>4</sup> PGIM Real Estate is a business of PGIM, the global asset management business of Prudential Financial, Inc.

<sup>5</sup> Based on an exchange rate of KRW 1 to S\$0.001182 unless stated otherwise

capital-efficient global real estate investment manager. Fund management and capital recycling are two of our key growth strategies. With the two new private funds, we have launched a total of seven new funds with more than S\$1.4 billion of new equity raised from external parties this year. As part of our disciplined capital recycling efforts, we have divested two commercial assets to our private funds, further growing our FUM.”

“Our FUM has increased to S\$84.3 billion, placing us on track to meet our FUM target of S\$100 billion by 2024. CLI will also receive recurring fee-related earnings (FRE) through the management of the two funds and their assets. We will continue to grow our funds business including launching new funds across different real estate asset classes as well as tapping new fundraising channels. We expect greater momentum in our funds business with Simon Treacy and Patrick Boocock starting their journey with CLI to lead our private equity real estate and private equity alternative assets portfolio respectively<sup>6</sup>. CLI remains focused on scaling our FUM and FRE to generate sustainable returns for our stakeholders,” added Mr Lee.

Mr Gerald Yong, CEO of CLI (International), said: “Through CLI’s deal sourcing capabilities, and comprehensive real estate investment and asset management expertise, we have garnered the trust and commitment of our capital partners to structure and ink these investment deals. The two office assets in Japan enjoy a high occupancy rate while the two operating cold storage logistics assets in South Korea are on master leases, generating an immediate stable source of fee income for CLI. In Japan, our new capital partners can gain access to the country’s resilient office sector via the new private fund. With the divestment proceeds, CLI will further seek new investment opportunities in Japan to grow our FUM and FRE.”

“In South Korea, the new logistics fund is our third private fund focusing on new economy assets established within a year. It adopts a core strategy while our earlier two private funds with third-party capital will invest in two data centre development projects in South Korea. The new logistics fund allows us to tap into the country’s fast expanding ecommerce market. With COVID-19, there is growing interest in logistics investment especially in cold storage logistics properties<sup>7</sup>. The acquisition also adds to CLI’s over 100 prime logistics properties in countries such as Singapore, Australia, China, India, Japan and the United Kingdom,” added Mr Yong.

#### CLI’s two commercial assets under its private fund in Japan

Yokohama Blue Avenue is a 17-storey multi-tenanted office building near the Shin-Takashima metro station along the Minato Mirai Line as well as the main Yokohama train station interchange. Shinjuku Front Tower is a 35-storey multi-tenanted office tower located in Tokyo’s prime Shinjuku business district, and near the Tokyo Metropolitan Government Office.

In 1Q 2021, office investments in Japan were revitalised, rising 22% year-on-year. Office vacancy rates in Tokyo have also remained low. Interest in offices in Tokyo’s central business district is expected to pick up strongly over time<sup>8</sup>.

---

<sup>6</sup> Mr Simon Treacy and Mr Patrick Boocock joined CLI as CEO of Private Equity Real Estate and CEO of Private Equity Alternative Assets on 27 October 2021 and 25 October 2021 respectively

<sup>7</sup> Colliers - Korea’s Logistics Market, 10 September 2021

<sup>8</sup> JLL – Asia Pacific Capital Tracker 2Q21, July 2021

### CLI's two new economy assets under its private fund in South Korea

The private fund's two operating cold storage logistics properties are located within an hour from Seoul via expressways and are part of the main sub-markets of the South Korean logistics market. The assets' proximity to Seoul creates a natural demand for cold storage logistics properties to expedite last-mile delivery services, and rents are expected to rise aided by robust leasing demand<sup>9</sup>.

Foodist Icheon Centre has a gross floor area (GFA) of 24,606 square metres (sqm) and is located near Icheon and Bubal Interchange (IC), in the southeast sub-market, facilitating distribution along the Yeongdong Expressway and National Highway 3. Demand for cold storage logistics properties in the sub-market is set to increase as an extension to National Highway 3 is underway to improve traffic flow, and mid- to long-term supply in Icheon City is limited.

Foodist Gyeongin Centre has a GFA of 8,716 sqm and is located near Cheongbuk IC and Balan IC, in the south sub-market. The property is also close to the Pyeongtaek-Dangjin port, an important commercial port facilitating trade between China and Korea, ensuring continued heavy demand for cold storage logistics properties. A new arterial road will open in late 2021 and its entrance is situated about 200 metres away from the property, enhancing the property's connectivity.

### **About CapitaLand Investment Limited ([www.capitalandinvest.com](http://www.capitalandinvest.com))**

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 30 September 2021, CLI had about S\$120.8 billion of real estate assets under management, and about S\$84.3 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and 30 private funds across the Asia-Pacific, Europe and USA. Its diversified real estate asset classes cover integrated developments, retail, office, lodging and new economy sectors such as business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through its full stack of investment management and operating capabilities. As the listed investment management business arm of the CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm. Being a part of the well-established CapitaLand ecosystem differentiates CLI from other REIMs.

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

### **[Follow @CapitaLand on social media](#)**

**Facebook:** @capitaland / [facebook.com/capitaland](https://facebook.com/capitaland)

**Instagram:** @capitaland / [instagram.com/capitaland](https://instagram.com/capitaland)

**Twitter:** @capitaLand / [twitter.com/capitaland](https://twitter.com/capitaland)

**LinkedIn:** [linkedin.com/company/capitaland-limited](https://linkedin.com/company/capitaland-limited)

---

<sup>9</sup> Korea Logistics Property Digest, 20 April 2021

YouTube: [youtube.com/capitaland](https://www.youtube.com/capitaland)

---

**Issued by: CapitaLand Investment Limited (Co. Regn.: 200308451M)**

Analyst contact

Grace Chen  
Head, Investor Relations  
Tel: +65 6713 2883  
Email: [grace.chen@capitaland.com](mailto:grace.chen@capitaland.com)

Media contact

Joan Tan  
Vice President, Group Communications  
Tel: +65 6713 2864  
Email: [joan.tanzm@capitaland.com](mailto:joan.tanzm@capitaland.com)

**Important Notice**

The admission and listing of CapitaLand Investment Limited on the Singapore Exchange Securities Trading Limited was sponsored by J.P. Morgan (S.E.A.) Limited. J.P. Morgan (S.E.A.) Limited assumes no responsibility for the contents of this announcement.