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NEWS RELEASE

CapitaLand to divest 30 business park properties in the USA and Singapore to Ascendas Reit for S\$1.66 billion
Active asset management a key strategy to achieve sustainable double-digit return on equity

Singapore, 1 November 2019 – CapitaLand announced today that it has entered into agreements to divest 30 business park properties in the United States of America (USA) and Singapore to Ascendas Real Estate Investment Trust (Ascendas Reit). The agreed value of the properties, arrived at on a willing-buyer and willing-seller basis, amounts to S\$1,661.7 million¹ in total. The proposed divestments, which are conditional upon the approval of Ascendas Reit's independent unitholders and the relevant authorities, are expected to be completed in 4Q 2019. Upon completion, CapitaLand is expected to realise an estimated gain of about S\$95.4 million.

The properties in the USA comprise a portfolio of 28 freehold office properties² with an agreed property value of US\$935.0 million (S\$1,281.7 million¹). They are located across six business parks in three tech cities, namely San Diego, Raleigh and Portland. Tenants in these properties include established Fortune 500 companies such as Nike and Oracle, as well as other high-profile and quality tenants from the technology, internet, aerospace and biotechnology sectors.

The properties in Singapore are Nucleos and FM Global Centre with an agreed property value of S\$289.0 million and S\$91.0 million respectively. Nucleos is primarily a business park and research & development facility with multiple tenants situated within Biopolis, the biomedical hub at one-north. FM Global Centre is a single-tenanted built-to-suit business park development located in Singapore Science Park 2, the country's technology corridor for R&D and technology development along Pasir Panjang Road.

Mr Lee Chee Koon, Group CEO, CapitaLand Group, said: "The enlarged CapitaLand portfolio following our combination with Ascendas-Singbridge has provided us with a robust pipeline of quality assets and additional REIT vehicles for recycling assets. This will stand us in good stead to achieve sustainable double-digit return on equity for the Group. The proposed divestments of the 30 business park properties in the USA and Singapore to Ascendas Reit will allow CapitaLand to unlock capital value for reinvestment and redeployment. Moving forward, we will continue to take part in the growth of these quality assets through CapitaLand's stake in Ascendas Reit. CapitaLand will also continue to manage the properties and receive a recurring fee income."

¹ Based on the exchange rate of US\$1.00 to S\$1.3708.

² The 28 properties (classified based on land parcels) comprise the entire portfolio of 33 properties (classified based on building street addresses) acquired by Ascendas-Singbridge in September 2018.

Mr Lee added: “Including the proposed transactions, CapitaLand has announced divestments of more than S\$5.2 billion year-to-date, exceeding our annual divestment target of S\$3 billion. By maintaining a disciplined approach to divestment and deleveraging, we are confident of meeting our target net debt to equity ratio of 0.64 by end 2020 and achieving the financial flexibility to seize any good opportunity that should arise along the way.”

Mr Jason Leow, President, Singapore & International, CapitaLand Group, said: “Singapore is CapitaLand’s home base where we own and manage over 150 properties in the residential, retail, commercial, lodging, business park, industrial and logistics sectors. The diversified portfolio provides us with great optionality in terms of asset recycling and reinvestment opportunities. The divestments of Nucleos and FM Global Centre are in line with our proactive asset management strategy to unlock asset value as we continue to seek new investment opportunities to support and take part in Singapore’s development and urban renewal.”

Mr Leow added: “The USA is a key part of our strategy to enhance CapitaLand’s presence in developed markets to balance the Group’s exposure in emerging markets. Developed markets provide stability to our earnings while emerging markets give us opportunities for capital growth. The enlarged CapitaLand entity currently manages assets valued at more than S\$3 billion in the USA, covering properties in the business park, multifamily, business hotel and corporate leasing sectors. We will continue to build up our market expertise and grow our assets under management in the country.”

The enlarged CapitaLand Group is currently the sponsor of eight real estate investment trusts (REITs), of which seven are listed in Singapore with a combined market capitalisation of over S\$30 billion, accounting for about one-third of the total market capitalisation of Singapore-listed REITs and property trusts³. The seven Singapore REITs under the Group are CapitaLand Mall Trust, Ascendas Reit, CapitaLand Commercial Trust, Ascott Residence Trust⁴, CapitaLand Retail China Trust, Ascendas India Trust and Ascendas Hospitality Trust⁴. The eighth REIT, CapitaLand Malaysia Mall Trust, is listed in Malaysia.

Please refer to the **Annex** for more information on CapitaLand’s presence in Singapore and the USA.

³ [Source: “Chartbook: SREITs & Property Trusts”, SGX Research, August 2019.](#)

⁴ The proposed combination of Ascott Residence Trust (Ascott Reit) and Ascendas Hospitality Trust (A-HTRUST) received overwhelming approval from unitholders at their respective Extraordinary General Meetings and Scheme Meetings held on 21 October 2019. The combined entity will continue to be named Ascott Residence Trust. The last day of trading of the A-HTRUST stapled securities is expected to be on 16 December 2019 while the delisting of A-HTRUST is expected to take place on 3 January 2020. Subject to the relevant approvals, the new Ascott Reit-Business Trust stapled units under the combined entity are expected to begin trading on the Singapore Exchange on Thursday, 2 January 2020.

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 over S\$129.1 billion as at 30 June 2019. 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 200 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 eight listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. Since it pioneered REITs in Singapore with the listing of CapitaLand Mall Trust in 2002, CapitaLand's REITs and business trusts have expanded to include Ascendas Reit, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust, CapitaLand Malaysia Mall Trust and Ascendas Hospitality Trust (a stapled group comprising Ascendas Hospitality REIT and Ascendas Hospitality Business Trust).

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ANNEX

CapitaLand's presence in Singapore

CapitaLand is the leading real estate developer and owner in Singapore covering residential, retail, commercial and lodging sectors, with new complementary sectors including business park, industrial and logistics. Its portfolio comprises more than 150 properties with assets under management valued at S\$42 billion.

Known for its distinctive and quality residential developments, CapitaLand has completed more than 13,000 homes since year 2000, with an additional approximately 1,500 homes under development. In the retail space, CapitaLand is Singapore's largest mall operator with a portfolio of 21 malls, including one under development. In the commercial sector, CapitaLand is one of Singapore's largest office landlords and managers with about 5.6 million square feet of commercial net lettable area. In the space of business parks, industrial and logistics, CapitaLand is the leading player in Singapore with 111 properties. Through its wholly owned lodging business unit, The Ascott Limited (Ascott), CapitaLand is Singapore's largest serviced residence operator with more than 3,200 units across 17 properties.

CapitaLand's presence in the USA

CapitaLand first entered the USA in August 2015. Through Ascott and its real estate investment trust, Ascott Residence Trust, CapitaLand owns and manages five properties with over 1,260 units in Manhattan, New York and Silicon Valley. Ascott also owns a majority stake in Synergy Global Housing (Synergy), a leading accommodation provider that offers apartments for corporate lease. Synergy has more than 2,800 units in the USA with a strong presence in the West Coast, including Los Angeles, Orange County, San Diego, Seattle as well as New York.

In October 2018, CapitaLand acquired a portfolio of 16 freehold multifamily properties for US\$835 million (S\$1.14 billion). The portfolio comprises 3,787 apartment units, all located in well-connected suburban communities of the metropolitan areas of Seattle, Portland, Greater Los Angeles and Denver.