



For immediate release

NEWS RELEASE

CapitaLand inks RMB46.7 billion deal with Ping An Life Insurance to divest partial stakes in six Raffles City developments in China

- ***Taps third-party onshore capital as an additional funding source to accelerate growth in China***
- ***Net proceeds of more than S\$2 billion to fuel portfolio pivot to new economy assets***
- ***Retains 12.6% to 30% stake in each development and continues as asset manager***

Singapore, 28 June 2021 – CapitaLand has entered into conditional agreements to divest partial stakes in a group of companies that own six of its Raffles City developments in China, to Ping An Life Insurance Company of China, Ltd. (“Ping An”). The agreed value for the portfolio – comprising Raffles City Shanghai, Raffles City Beijing, Raffles City Ningbo, Raffles City Chengdu, Raffles City Changning (Shanghai) and Raffles City Hangzhou – is RMB46.7 billion (about S\$9.6 billion). Post-transaction, CapitaLand will retain an effective stake of 12.6% to 30% in each development. Under its signature “Raffles City” trademarks, CapitaLand will also continue to provide asset management services for these developments and earn fee income. Targeted for completion in 3Q 2021, the transaction is expected to generate for CapitaLand net proceeds of more than S\$2 billion.

Mr Lee Chee Koon, Group CEO, CapitaLand Group, said: “We are pleased to welcome Ping An as a strategic partner on board our established Raffles City platform. CapitaLand will continue to hold stakes in and provide asset management services for these six Raffles City developments. We are well placed to drive and participate in their future growth. CapitaLand has built up an investment property pipeline of over S\$24.4 billion¹ of assets in China, with a proven capital recycling track record over the past 27 years. We are looking forward to forging more capital partnerships with China’s domestic institutional investors to diversify CapitaLand’s investor base.”

Mr Lee added: “Our recent registration as a private equity fund manager in China allows us to carry out RMB-denominated capital raising, as well as provide fund management services in China. It has opened up more capital partnership opportunities with domestic institutional investors for CapitaLand. This complements our existing offshore capital platforms such as CapitaLand China Trust and portfolio of private funds. With multiple recycling vehicles and strategies, as well as diverse capital sources, we are confident of our next stage of growth as an asset-light, capital-efficient global real estate investment manager with a focus in Asia. Including this transaction, CapitaLand has announced gross divestments of about

¹ Refers to CapitaLand’s effective share of Total Assets in China, as at 31 March 2021.

S\$11.2 billion year-to-date, more than three times our annual divestment target of S\$3 billion. Concurrently, we have grown our Funds Under Management (“FUM”)² to S\$79.2 billion³.”

Mr Puah Tze Shyang, CEO, Investment and Portfolio Management, CapitaLand China, said: “Located in gateway cities with excellent connectivity to key transport nodes and designed by well-known architects, our signature Raffles City portfolio comprises the crème de la crème of CapitaLand’s integrated developments. For the six Raffles City developments in the transaction, their property value had appreciated since their respective completion to RMB46.7 billion; and they achieved a private fund Fee Related Earnings (“FRE”)⁴ / FUM ratio of approximately 62 basis points, averaged across 2008 to 2020. As mature assets offering stable recurring income, they offer an attractive investment proposition for our new onshore partner. We will build on the traction to further diversify CapitaLand’s investor base while continuing to maximise the property value and investment returns for our investors.”

Mr Puah added: “Part of the unlocked capital will be used to support the Group’s investment pivot to new economy assets such as business parks, logistics and data centres, forming a new pipeline for future recycling. CapitaLand plans to grow our China exposure in this sector to S\$5 billion over the next few years, from the S\$1.5 billion as at end 2020. The investment focus covers business parks, logistics and data centres, where tenants typically hail from new economy sectors that enjoy robust fundamentals and a supportive regulatory environment.”

In line with this investment strategy, CapitaLand announced in April 2021 that it is investing RMB3.66 billion to acquire its first hyperscale data centre campus in Shanghai, China.

Beyond architectural and engineering feats, Raffles City developments embody CapitaLand’s design, management and operational expertise in integrating different real estate components – such as a shopping mall, office and lodging – into one development. The first Raffles City opened in Singapore and its success paved the way for the brand to be exported to China. Today, there are nine Raffles City developments in China. Besides the six Raffles City developments in the transaction, there are Raffles City Shenzhen, Raffles City Chongqing and the latest addition to the portfolio – Raffles City The Bund (Shanghai). The retail component of Raffles City The Bund is slated to begin operations in July 2021.

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\$137.7 billion as at 31 March 2021. 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 240 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.

² Refers to the share of total assets under CapitaLand Investment’s listed funds and unlisted funds (private funds and/or investment vehicles (including but not limited to programs, joint ventures and co-investments managed by the Group from time to time)).

³ As at 31 March 2021.

⁴ Refers to fund management and asset management related fee revenue from CapitaLand Investment’s listed funds and unlisted funds (private funds and/or investment vehicles (including but not limited to programs, joint ventures and co-investments managed by the Group from time to time)).

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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The directors of the Company (including any who may have delegated detailed supervision of the preparation of this release) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this release

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Note:

- (1) CLI effected a change of name from CapitaLand Financial Limited to CapitaLand Investment Management Limited on 22 March 2021 and subsequently from CapitaLand Investment Management Limited to CapitaLand Investment Limited on 18 June 2021.