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NEWS RELEASE

CapitaLand Development divests its Grade A office building Capital Place in Hanoi for S\$751 million

In line with CapitaLand Development's capital recycling strategy

Singapore, 20 January 2022 – CapitaLand Development (CLD), the development arm of CapitaLand Group, has announced the divestment of Capital Place, its international Grade A office building in Hanoi, Vietnam for S\$751 million (US\$550 million¹) to an unrelated-third party. Capital Place is held under the CapitaLand Vietnam Commercial Value-Added Fund (CVCVF). CLD holds a 50% stake in CVCVF while the remaining interest is held by MEA Commercial Holdings Pte. Ltd. CVCVF was inceptioned in 2017 with a fund size of S\$177 million (US\$130 million). The fund is managed by CapitaLand Investment Limited (CLI), the real estate investment management business of CapitaLand Group and a leading global real estate investment manager.

The agreed value of the property was arrived on a willing-buyer and willing-seller basis. Upon completion of the transaction, CVCVF will be fully divested and closed, providing investors in the fund an internal rate of return, net of fees of 34%, almost triple the fund's hurdle rate. The fund was also able to access regional debt markets to obtain an efficient capital structure which further boosted the fund's returns. This stellar result will generate carried interest of S\$23 million (US\$17 million) to CLI and provides a strong track record for CLI's future private equity funds.

Mr Ronald Tay, CEO of CLD (Vietnam) added: "The divestment of Capital Place is part of CVCVF's exit strategy and in line with CLD's on-going capital recycling efforts to unlock the strong underlying value of our properties. Tapping on the synergies of our ONE CapitaLand ecosystem and working closely with CLI, we have successfully created value for our capital partner through our real estate development and asset management capabilities, divesting the prime asset at a premium to book value. CLD will redeploy the proceeds from this divestment into higher-yielding assets and as seed capital for future funds to be developed together with CLI in Vietnam."

"Our strong fund management performance builds upon CLI's success last year where it inceptioned seven private equity funds with more than S\$1.4 billion raised from external parties². With CLI's growing bench strength in private equity fund management and CLD's deep experience in Vietnam, we will leverage our synergistic capabilities to launch new real assets private equity funds in Vietnam in the near future. CLD firmly believes in Vietnam's excellent growth prospects, and we are committed to being a long-term partner to the development of

¹ Based on the exchange rate of US\$1 to S\$1.3653 unless stated otherwise

² As of 30 September 2021

Vietnam's real estate market. We continue to seek attractive real estate investment opportunities in offices, residential and urban developments, as well as in new economy assets such as logistics facilities, data centres and business parks," added Mr Tay.



CapitaLand Development divests Capital Place in Hanoi for S\$751 million (US\$550 million) as part of its capital recycling strategy

Capital Place was acquired by CVCVF in 2018. Opened in 2020, Capital Place is strategically located in the heart of Ba Dinh District. The international Grade A development has 100,000 square metres (sqm) of net lettable area across two 37-storey office towers. Through CLD's asset management expertise and network, Capital Place is home to multinational tenants such as HSBC Vietnam, Porsche, Standard Chartered Bank Vietnam, TOTO Vietnam and more. Capital Place is the first office development in Hanoi to obtain Leadership in Energy and Environmental Design (LEED) Gold certification. It was also awarded the 'Best Office Development' in Asia and Vietnam at the 2019 PropertyGuru Property Awards.

CapitaLand Development's portfolio in Vietnam

Vietnam remains one of CLD's core markets where it has built an extensive presence over the past 27 years. Besides Capital Place, CLD currently has one office asset located within its integrated development in Hanoi. The integrated development has a net lettable area of 20,000 sqm and is slated for completion in 2Q 2024. Post-divestment, CLD's portfolio will comprise two integrated developments, over 12,000 quality homes across 16 residential developments and one retail mall in Hanoi and Ho Chi Minh City.

In December 2021, CLD announced the acquisition of a prime freehold site for its first large scale residential project in Vietnam, with a projected total gross development value of approximately S\$1.12 billion (VND18,330 billion³). The 18.9-hectare site is located in Binh Duong New City within the Binh Duong province, about 30 kilometres from Ho Chi Minh City. The prime large scale residential project is expected to comprise over 3,700 freehold residential units across a mix of low-, mid- and high-rise residential developments, providing homes for about 13,000 residents. The project is expected to be launched in phases and

³ Based on the exchange rate of S\$1 to VND16,379.47

construction of the first phase consisting of about 1,300 landed houses and apartments will start in 2022. Completion of the first phase is slated to be in 2024, while the rest of the project is scheduled for completion in 2027.

In November 2021, CLD unveiled the designs of two of its upcoming luxury residential developments – Heritage West Lake in Hanoi and DEFINE in Ho Chi Minh City. The developments feature multiple first-in-market amenities such as a private lift lobby for all units, a rooftop heated swimming pool and an automated smart car parking system. Launched for sale on 4 December 2021, DEFINE was sold out within two hours at an average selling price of about VND125 million (US\$5,500⁴) per sqm and all units were sold above VND23 billion (US\$1 million). Sale of Heritage West Lake is expected to be launched in 1H 2022.

CLD's strong design and development expertise were recognised with seven awards at the recent PropertyGuru Vietnam Property Awards 2021. CLD won the 'Most Sustainable Developer' award, received the 'Special Recognition for Building Communities' as well as 'Special Recognition in Sustainable Design and Construction' awards. CLD also garnered top honours for three of its luxury residential developments. Heritage West Lake and DEFINE received 'Best Luxury Condo Development' for Hanoi and Ho Chi Minh City respectively. DEFINE also won 'Best High Rise Condo Development' in Vietnam while CLD's upcoming residential development, ZENITY in Ho Chi Minh City received 'Best Luxury Condo Interior Design'.

About CapitaLand Development (www.capitaland.com)

CapitaLand Development (CLD) is the development arm of the CapitaLand Group, with a portfolio worth approximately S\$22.0 billion as at 30 September 2021. Focusing on its core markets of Singapore, China and Vietnam, CLD's well-established real estate development capabilities span across various asset classes, including integrated developments, retail, office, lodging, residential, business parks, industrial, logistics and data centres. Its strong expertise in master planning, land development and project execution has won numerous accolades including the Building and Construction Authority Quality Excellence Award and FIABCI Prix d'Excellence Award.

CLD aspires to be a developer of choice that goes beyond real estate development to enrich lives and uplift communities. It is committed to continue creating quality spaces for work, live and play in the communities in which it operates, through sustainable and innovative solutions.

As part of the CapitaLand Group, CLD places sustainability at the core of what it does. As a responsible real estate company, CLD complements CapitaLand's businesses through its contributions 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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⁴ Based on the exchange rate of US\$1 to VND22,700

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

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