

NEWS RELEASE

**CapitaLand Investment establishes
CapitaLand China Opportunistic Partners Programme
to invest in special situation opportunities in China
*S\$1.1 billion in total equity has been committed to the Programme which has
acquired its first two assets in Beijing and Foshan***

Singapore, 23 February 2023 – CapitaLand Investment Limited (CLI) has established the CapitaLand China Opportunistic Partners Programme (CCOP Programme), with a total of S\$1.1 billion equity committed to invest in special situation opportunities in China. CLI has secured S\$892 million from top tier global institutional investors, which hold an 80% stake in the Programme. CLI holds the remaining 20% stake, in line with its asset-light strategy to grow its funds under management (FUM) while keeping strong alignment with its investors and partners.

The CCOP Programme comprises a S\$291 million single-asset fund and a S\$824 million programmatic joint venture (JV).

The single-asset fund has acquired Beijing Suning Life Plaza, an integrated development comprising office and retail components in Beijing’s Central Business District, for S\$553 million (RMB2.81 billion). It will invest to reposition the asset, converting and upgrading the retail space into a Grade A office that will command higher rent.

The programmatic JV will invest in special situation opportunities in China, in the commercial and new economy real estate sectors such as office, retail, logistics and industrial. Investors will retain full discretion on whether to participate in each investment proposed under the JV. CLI will manage the JV, which will harness the collective strengths of the partners in sourcing investment opportunities in China.

In its first transaction, the programmatic JV has acquired a high-quality logistics development in Foshan, Guangdong for S\$157 million (RMB799 million). CLI acquired the build-to-suit development, which is 100% pre-leased to a leading domestic textile e-trading platform, in May 2022 as a seed asset for the CCOP Programme. The 15-year lease includes annual lease escalation, providing stable and predictable cash flows.

Mr Puah Tze Shyang, CEO of China, CLI, said: “The establishment of CapitaLand China Opportunistic Partners Programme following our three onshore RMB funds and China Data Centre Partners (CDCP) fund demonstrates CLI’s strong ability to raise both onshore and offshore funds to accelerate our growth in China. China is one of CLI’s core markets, where we have close to 30 years of local investment and operational experience. Our deep expertise

allows us to unlock investment opportunities and offer our investors and partners a solid pipeline of deals in different real estate sectors to meet their investment objectives. We believe in China's strong fundamentals and will continue to increase our presence in the market."

Mr Simon Treacy, CEO of Private Equity Real Estate, Real Assets, CLI, said: "As a leading global real estate investment manager, CLI has an international network of capital partners who recognise our competitive advantage in China. CCOP and CDCP signal returning foreign capital appetite for China. CCOP leverages CLI's strong deal sourcing, structuring and execution expertise to offer investors a bespoke strategy for each deal and attractive risk-adjusted returns as they gain or increase their exposure in the market. CCOP will be a key driver of CLI's private fund management business."

Enhancing value and driving sustainability via One CapitaLand ecosystem

One of CLI's differentiators is its ability to leverage the extensive development capabilities of CapitaLand's development arm, CapitaLand Development (CLD), under the Group's One CapitaLand ecosystem. CLI will work with CLD on a comprehensive asset enhancement plan for Beijing Suning Life Plaza and to manage the on-going development of the Foshan logistics asset.

Asset repositioning for Beijing Suning Life Plaza will start in 1Q 2023. The 19-storey integrated development has a net lettable area (NLA) of 52,600 square metres (sqm) comprising 24,200 sqm of office space and 28,400 sqm of retail space. Post-repositioning, the office NLA will increase by 30,800 sqm to 55,000 sqm, and a 6,500 sqm ancillary retail space will be retained in the basement and first levels to serve the office tenants and surrounding residents. The development will present a unique offering in the market with communal office spaces, large common areas with a collegial atmosphere, and an outdoor community garden. The project will also benefit from a new subway line which will begin operation in 2024.

Construction of the logistic development in Foshan is expected to complete in 3Q 2023. The logistics asset has a NLA of 140,355 sqm. It has a prime location near transportation networks and is only 10 km from the upcoming Pearl River Delta Hub Airport which is projected to handle 30 million passengers by 2035.

In line with CapitaLand's 2030 Sustainability Master Plan, sustainability-focused design elements and facilities to increase energy efficiency and reduce carbon emissions will be incorporated, with the target to attain Leadership in Energy and Environmental Design (LEED) Gold certification for Beijing Suning Life Plaza by 2025 and LEED Existing Buildings – Gold certification for the Foshan development by 2026.

CLI in China

CLI has a portfolio of more than 200 properties across over 40 Chinese cities with total assets under management of S\$47 billion¹. Its resilient and well-diversified portfolio in China includes office, retail, lodging, business parks, logistics and data centres in five core Tier one and two city clusters².

¹ As at 31 December 2022

² CLI's five core city clusters in China to focus its growth are Beijing / Tianjin; Shanghai / Hangzhou / Suzhou / Ningbo; Guangzhou / Shenzhen; Chengdu / Chongqing / Xi'an and Wuhan

The CCOP Programme complements CLI's recent drive to raise onshore domestic capital to pursue real estate opportunities across the risk spectrum in China. Since June 2022, CLI has established three onshore RMB funds, raising close to S\$780 million (RMB4 billion) in third-party capital and bringing 10 new Chinese investors into CLI's network of capital partners. With the addition of the recently announced CDCP fund and the latest deals under the CCOP Programme, CLI has raised more than S\$2 billion in third-party capital to invest in seven quality assets³ in China.

As at 31 December 2022, CLI has a total of 12 private investment vehicles in China holding 31 properties with FUM of S\$21.3 billion.

About CapitaLand Investment Limited (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 31 December 2022, CLI had S\$132 billion of real estate assets under management, and S\$88 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and more than 30 private vehicles across Asia Pacific, Europe and USA. Its diversified real estate asset classes cover retail, office, lodging, business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through fund management, lodging management and its full stack of operating capabilities, and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve net zero emissions by 2050. 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.

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³ The seven investments are: [an office building in Shanghai under China Special Situation RMB Fund I](#); [Ascendas i-Link and The Springs Center in Shanghai under China Business Park Core RMB Funds I and II](#); [two hyperscale data centre developments in Greater Beijing under China Data Centre Partners](#); as well as Beijing Suning Life Plaza and a logistics development in Foshan under the CCOP Programme

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