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NEWS RELEASE

CapitaLand sets up US\$1.5 billion Raffles City China Investment Partners III
Largest private equity partnership established by CapitaLand receives strong support

Singapore, 25 October 2016 – CapitaLand Limited is pleased to announce the successful establishment of its third integrated development private investment vehicle in China – Raffles City China Investment Partners III (RCCIP III). The partnership has fully closed at US\$1.5 billion (about S\$2.0 billion), making it the largest private capital raise CapitaLand has originated. RCCIP III, with a life of eight years, will invest in prime integrated developments in gateway cities in China. CapitaLand will subscribe 41.7% sponsor stake in RCCIP III while the remaining interests will be held by major investors from Asia, North America, and the Middle East, including new and existing investors. RCCIP III will be managed by CapitaLand Fund Management Pte. Ltd., an indirect wholly owned subsidiary of CapitaLand.

Mr Lim Ming Yan, President & Group CEO of CapitaLand Limited, said: “Real estate is a capital intensive business and private equity is central to the active capital management strategy of CapitaLand as a dominant real estate player. We are pleased to raise RCCIP III, the third in the series of our Raffles City China private equity vehicles. As real estate capital values rise with the growing intensity of competition for assets, institutional investors are attracted to CapitaLand for its established footprint of quality real estate products and services across Asia. CapitaLand’s strong developer-owner-operator capabilities will enable us to deliver better risk-adjusted returns for investors. This, together with our ability to co-invest with our capital partners, aligns us with reputable investors with longer investment horizons such as sovereign wealth funds, pension funds and insurance companies.”

Mr Lim added: “Following our successful partnership with Qatar Investment Authority in the serviced residence sector, RCCIP III is set to be another excellent example of how we are proactively working with strong capital partners to build up scale, while enhancing the Group’s returns on equity through earning fee income. In 2015, CapitaLand derived S\$202.1 million of fees from non-listed real estate and REIT management activities, about 4% of the Group’s revenue.”

Mr Arthur Lang, Group Chief Financial Officer of CapitaLand Limited who also oversees the investment management business said, “With RCCIP III, CapitaLand now manages 16 real estate private platforms and five real estate investment trusts with assets under management (AUM) worth over S\$45 billion. RCCIP III brings us closer towards our goal of raising funds with a total AUM of up to S\$10 billion by 2020. Together with CapitaLand’s strong balance sheet and stable of REITs, the investment management business is differentiated to be the partner of choice for capital partners. We are very pleased to commence a meaningful relationship with our new investors as we further solidify our strong partnerships with our existing investors through the establishment of RCCIP III.”

Mr Lucas Loh, CEO of CapitaLand China, said: “China is a market with robust long-term investment potential with continued demand for property riding on the back of urbanisation, economic growth, the rise of the services sector, a growing middle class, and rising domestic consumption. These socio-economic themes feature prominently in gateway Chinese cities where the growth trajectory remains robust, heralding opportunities for integrated developments around key transportation hubs. For over a decade, CapitaLand’s Raffles City brand name has been well-established in China with its iconic and quality developments that offer integrated lifestyle experiences in prime locations. We look forward to continually build our portfolio of quality integrated developments that delivers robust returns to our investor partners and first-rate value to our customers.”

As part of its Raffles City China strategy, CapitaLand also manages a US\$1.18 billion Raffles City China Fund that is invested in five Raffles City developments in China, namely Raffles City Shanghai, Raffles City Beijing, Raffles City Chengdu, Raffles City Ningbo and Raffles City Hangzhou, as well as a S\$1.03 billion vehicle in a Raffles City project in Changning district in Shanghai.

According to the recent 2016 Fund Manager Survey jointly conducted by the Asian Association for Investors in Non-Listed Real Estate Vehicles Limited, the European Association for Investors in Non-Listed Real Estate Vehicles and the National Council of Real Estate Investment Fiduciaries in the United States, CapitaLand is the largest fund manager in Asia Pacific and ranked No.11 globally based on total real estate AUM it managed in 2015.

About CapitaLand Limited (www.capitaland.com)

CapitaLand is one of Asia’s largest real estate companies headquartered and listed in Singapore. The company leverages its significant asset base, design and development capabilities, active capital management strategies, extensive market network and operational capabilities to develop high-quality real estate products and services. Its diversified global real estate portfolio includes integrated developments, shopping malls, serviced residences, offices and homes. Its two core markets are Singapore and China, while Indonesia, Malaysia and Vietnam have been identified as new growth markets. The company also has one of the largest real estate fund management businesses with assets located in Asia.

CapitaLand’s listed real estate investment trusts are CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust.

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ANNEX – About Raffles City integrated developments

Located in city centres with excellent connectivity to key transport nodes and designed by world-renowned architects, CapitalLand's Raffles City developments are synonymous with architectural icons that symbolise their host cities' economic transformation. By serving as an enabler to catalyse an area's growth potential, Raffles City has become CapitalLand's most sought-after signature development in China as the country ramps up its urbanisation drive. Beyond being architectural and engineering feats, Raffles City developments embody CapitalLand's management and operational expertise in integrated developments across the different real estate components – shopping malls, serviced residences, offices and homes.

The 'Raffles' name is synonymous to Singapore and the descriptor 'City' connotes the central location and integrated nature of these developments. The first Raffles City opened in Singapore in 1986 with a groundbreaking 'city within a city' concept that enables people to live, work and play seamlessly in a single unified space. As the biggest development then linking the Central Business District in Shenton Way to the shopping belt in Orchard Road, it boldly transformed Singapore's city landscape. It has since been thriving as a bustling city landmark, attracting tens of thousands of shoppers, working professionals, hotel guests and visitors daily.

Each of the nine Raffles City developments in Singapore and China varies in composition, but all of them are consistent in offering quality in both design and facilities. Collectively, the developments span about 4 million square metres and will be worth about S\$15.0 billion (about RMB73.4 billion) when fully completed.

1. Raffles City Singapore (Opened in 1986)
2. Raffles City Shanghai (Opened in 2004)
3. Raffles City Beijing (Opened in 2009)
4. Raffles City Ningbo (Opened in 2012)
5. Raffles City Chengdu (Opened in 2012)
6. Raffles City Changning, Shanghai (Opening in 2017)
7. Raffles City Hangzhou (Opening in 2017)
8. Raffles City Shenzhen (Opening in 2017)
9. Raffles City Chongqing (Opening in 2018)

Two of the three office towers at Raffles City Changning are completed, while the third will open together with the shopping mall in 2Q 2017. The shopping mall is currently about 65.0% committed.

Meanwhile, Raffles City Hangzhou has begun sales of its premier residential and SOHO units. Its office component will be completed in 2016, while the hotel and serviced residence components will open in 2018. Its shopping mall, which is opening in 2Q 2017, has achieved about 60.0% in committed occupancy to date.

Raffles City Chongqing, the largest Raffles City development with 870,000 sq m of gross floor area, will open in phases from 2018.