



For immediate release

NEWS RELEASE

**CapitaLand to grow new economy assets in China to S\$5 billion**  
***Part of capital unlocked from asset recycling will be redeployed to***  
***business parks, logistics and data centres***

**Singapore, 16 November 2020** – CapitaLand aims to redeploy part of the capital from asset recycling to new economy assets, growing its China exposure in this sector to S\$5 billion over the next few years, from the current S\$1.5 billion. Investments will include business parks, logistics and data centres, where tenants typically hail from new economy sectors that enjoy robust fundamentals and a supportive regulatory environment. This target is in line with CapitaLand’s strategy to ride China’s economic transformation focusing on technology, services and domestic consumption.

As part of CapitaLand’s active recycling, CapitaLand Retail China Trust (CRCT) has been designated the Group’s dedicated real estate investment trust (REIT) platform for non-lodging assets in China, with access to CapitaLand’s extensive pipeline in the country. As one of the Group’s investment vehicles, CRCT will also continue to explore opportunities from third parties and acquire from the market. Over time, CRCT plans to reinforce its leading position as Singapore’s largest China-focused REIT with a target portfolio mix of 40% in integrated developments, 30% in retail and 30% in new economy (business parks, logistics and data centres).

In line with these targets, CapitaLand, through its associates, has entered into agreements to divest its share of interest in the companies which hold five business park properties and Rock Square mall in China to CRCT<sup>1</sup>. Upon the completion of the proposed divestment<sup>2</sup>, CapitaLand plans to enter into a 49:51 joint venture with CRCT on Ascendas Xinsu Portfolio, with a view to extract new value from this mature asset through redevelopment.

Mr Lucas Loh, President, China, CapitaLand Group, said: “Even before the pandemic, CapitaLand has been keen to broaden the Group’s exposure to new economy assets as we seek to create a balanced and diversified portfolio across asset classes and geographies. This conviction has been reinforced by COVID-19, during which we witnessed the relative resilience of new economy tenants who have been better able to withstand cyclical headwinds. In China, we continue to see many compelling opportunities in the new economy sector, whose prospects have been boosted by favourable government policies and robust demand. As CapitaLand continues to recycle our assets, part of the unlocked capital will be redeployed to pursue business parks and other new economy asset opportunities, which will form the pipeline for future recycling.”

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<sup>1</sup> For details, please refer to the news release “[CapitaLand to divest interest in five business park properties and Rock Square mall in China](#)” dated 6 November 2020.

<sup>2</sup> Conditional upon the approval of CRCT’s independent unitholders.

Mr Loh added: “In line with our strategy to ramp up CapitaLand’s investments in business parks, we plan to co-invest with CRCT in Ascendas Xinsu Portfolio. This signature project will provide CapitaLand with a platform to grow our share of business park assets under management, while investing part of the recovered capital for higher returns. Located in the well-established Suzhou Industrial Park, Ascendas Xinsu Portfolio is a landmark business park development with strategic value and significant redevelopment potential. Within the portfolio, we have previously redeveloped Xinsu Square by maximising the under-utilised plot ratio, resulting in a 48% increase in gross floor area. We will progressively explore replicating the successful value creation achieved in Xinsu Square with the other buildings, in tandem with market demand.”

Located in Suzhou Industrial Park, Ascendas Xinsu Portfolio comprises six locations with 61 buildings, including business parks and industrial portion. The sprawling portfolio has a total gross floor area of 373,334 square metres.

Building on Ascendas-Singbridge’s decades-long expertise in operating business parks in China, CapitaLand has established and continues to invest in a professional and efficient property management system valued by tenants. As a testament to CapitaLand’s property management capabilities, its long-time tenants include leading multinational corporations and domestic firms that have been with its business parks for more than 15 years. Such tenancy stickiness is also attributed in part to CapitaLand’s strong operating network across geographies and asset classes, which is well-positioned to support tenants’ expansion plans and growth needs.

**About CapitaLand Limited ([www.capitaland.com](http://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\$133.3 billion as at 30 September 2020. 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 220 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 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 Retail 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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**Issued by: CapitaLand Limited (Co. Regn.: 198900036N)**

**Analyst contact**

Grace Chen

Head, Investor Relations

Tel: +65 6713 2883

Email: [grace.chen@capitaland.com](mailto:grace.chen@capitaland.com)

**Media contact**

Chia Pei Siang

VP, Group Communications

Tel: +65 6713 1379

Email: [chia.peisiang@capitaland.com](mailto:chia.peisiang@capitaland.com)

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