

NEWS RELEASE

CapitaLand Investment to recycle capital through sale of ION Orchard and grow S\$1.85 billion of funds under management

- *CLI is set to exceed its annual capital recycling target of S\$3 billion, strengthening its asset-light growth*
- *CICT's major acquisition of ION Orchard, an iconic premium destination mall, will boost its portfolio*

Singapore, 3 September 2024 – CapitaLand Investment Limited (CLI), a global real asset manager, has entered into an agreement to divest its 50.0% interest in ION Orchard¹ to its sponsored real estate investment trust, CapitaLand Integrated Commercial Trust (CICT). ION Orchard is currently held in a joint venture with Sun Hung Kai Properties (SHKP) holding the remaining 50.0%.

The proposed divestment of ION Orchard is part of CLI's asset-light growth strategy which will grow CLI's funds under management (FUM) by S\$1.85 billion. The sale consideration of approximately S\$1.08 billion² can be recycled towards future growth opportunities.

ION Orchard is a dominant retail landmark at the heart of Orchard Road, attracting both locals and tourists. With CICT's predominant focus on Singapore, the proposed divestment will further enhance the quality of its portfolio. This proposed transaction is conditional upon the approval of CICT's non-interested unitholders and is targeted to be completed in 4Q 2024. The sale consideration will be paid in cash.

In support of CICT, CLI has undertaken to fully subscribe to its pro-rata entitlement for the preferential offering as part of the funding for CICT to acquire ION Orchard. As at 30 June 2024, CLI's stake in CICT was 24%.

Mr Lee Chee Koon, Group Chief Executive Officer of CLI, said: "CLI remains committed to the long-term growth of our listed funds by providing a pipeline of attractive assets with stable yields. This proposed divestment is a testament to CLI's strong sponsor support for CICT and will strengthen CICT's market position as the largest proxy for high-quality Singapore commercial real estate."

¹ Includes ION Orchard, ION Orchard Link, ION Art Gallery and ION Sky.

² Based on the adjusted net asset value of the companies holding the property, taking into account, amongst others, 50% of the agreed property value of approximately S\$3.70 billion and agreed value of the property manager.

“This transaction also demonstrates the disciplined execution of our asset-light strategy to recycle quality assets from our balance sheet and grow CLI’s FUM. Upon the completion of this proposed divestment, CLI will have recycled S\$3.6 billion³ year-to-date, exceeding our annual capital recycling target of S\$3 billion. Divestment proceeds will be used to further diversify our portfolio across geographies and asset classes as well as establish new fund products to boost our fee-related income.”

Mr Lee added, “CLI has enjoyed a longstanding and successful partnership with SHKP since 2006. We appreciate their strong support and commitment towards our shared goal of redefining the retail landscape in Singapore. The remarkable success of ION Orchard is a testimony to our collaborative efforts in developing and managing this pre-eminent destination mall. We look forward to continuing this fruitful partnership through CICT and bringing even more value to Singapore’s vibrant retail scene.”

ION Orchard is an eight-storey iconic premium destination mall located at the gateway of Singapore’s renowned Orchard Road. With a net lettable area of approximately 623,600 square feet, it is home to a diverse mix of nearly 300 international and local brands across the luxury and non-discretionary retail segments. In addition, the mall offers unique and multi-sensory experiences via the ION Art Gallery and ION Sky. Beyond a curated selection of popular retail and epicurean options, the mall boasts an expansive food hall presenting an array of local and international culinary delights. Integrated with a 56-storey condominium, The Orchard Residences, ION Orchard is seamlessly connected via sheltered access to the Orchard mass rapid transit (MRT) interchange station which serves the North-South Line and the Thomson-East Coast Line as well as ION Orchard Link, an underground pedestrian link with retail offerings. ION Orchard Link is a vital connection that links ION Orchard to the other parts of Orchard Road.

About CapitaLand Investment Limited (www.capitalandinvest.com)

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real asset manager with a strong Asia foothold. As at 30 June 2024, CLI had S\$134 billion of assets under management as well as S\$100 billion of funds under management (FUM) held via six listed real estate investment trusts and business trusts and a suite of private real asset vehicles that invest in thematic and tactical strategies. Its diversified real estate asset classes include retail, office, lodging, industrial, logistics, business parks, wellness, self-storage and data centres.

CLI aims to scale its fund management, lodging management and commercial management businesses globally 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 carbon emissions for Scope 1 and 2 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.

³ Based on agreed property value (100% basis).

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