

NEWS RELEASE

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SINGAPOREAN INVESTORS LEAD ASIAN OUTBOUND INVESTMENT IN H1 2018

Hong Kong, September 3 - Asian outbound capital deployment remains robust amid a recent slowdown of Chinese outbound real estate investment. In the first half of 2018, outbound investment activity totaled US\$25.3 billion, led by Singaporean capital, which accounted for 36% of the region's total, according to recent data compiled by CBRE.

This year, London continued to be a preferred channel for Asian investors, accounting for 26% of the region's total outflows. Substantial funds flowed from both Hong Kong and Singapore into London to capitalize on the more favorable yields and longer rental periods presented by commercial properties that are unattainable domestically.

Singaporean investors favored Europe as a location for portfolio diversification, investing US\$3.4 billion into the region in the first half of 2018. Singaporean investors were also active in the U.S logistics sector, building a portfolio to the tune of US\$2.27 billion during the period.

Despite the deceleration in Chinese outbound activity, it is expected that Asian investors will continue to be active abroad. Tom Moffat, Head of Capital Markets, Asia at CBRE believes: "Asia Pacific investors are becoming increasingly recognized players and continue to expand portfolios strategically. The slowing of Chinese investment has prompted the emergence of more diverse capital sources, which illustrates the depth of liquidity and appetite for offshore deployment."

In the first half of 2018, Chinese investors decelerated acquisition of overseas assets and began disposals, particularly in the US and Europe, to improve balance sheets and to lock in profit for their early investment. Disposals are expected to continue with some Chinese investors under finance strain looking to strengthen their balance sheet.

Property companies were the most active investor class and accounted for half of total Asian outbound investment, compared to 27% in the first half of 2017. REITs also accelerated outbound investment with two Singaporean REITs had their first investment in Europe. On the contrary, institutional investors, who accounted for 45% of the

region's total outbound activity in the first half of 2017, were less active this year and comprised 13% of the total.

"Overall, we anticipate that Singaporean, Korean and Hong Kong investors' strong investment appetite, particularly in Europe and the U.S, will continue to be a key propellant of Asian outbound investment in the medium to long term," added Henry Chin, Head of Research, Asia Pacific at CBRE.

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