



Press Release

## Hong Kong's Gaw Capital Partners Successfully Closes Third Greater China / Asia-Focused Real Estate Investment Fund

### *New property investment vehicle attracts US\$373.5 million*

(Hong Kong, August 24, 2010) – Hong Kong-based private equity real estate firm Gaw Capital Partners has completed raising its third fund focusing on investments in Mainland China real estate, raising US\$373.5 million earmarked for “unprecedented opportunities” beyond the major cities of Beijing, Shanghai and Guangzhou.

‘Gateway China Real Estate Fund III’ will continue to target China’s fast-growing mass market property sector in so-called second and third tier cities – the country’s newer economic powerhouses, in addition to opportunities in the first tier cities at the right price.

It targets both the residential sector, a focus of the firm since 2007 in response to the government’s urbanisation drive, while expanding into commercial sectors such as retail, offices and hospitality.

Gaw Capital’s latest successful fund-raising makes it one of the leading real estate private equity fund managers in the region.

The firm already has over US\$1.1 billion in equity capital under management in two other funds, launched in 2005 for Gateway China Fund I and 2007 for Gateway Capital Real Estate Fund II.

Investors in the new Gateway Capital Real Estate Fund III include US endowments and pension funds, sovereign wealth funds, multi-family offices and more European investors than previously attracted – as well as existing investors in the two initial funds.

The eight-year investment vehicle targets returns of more than 20 per cent, conservatively leveraged at a loan-to-value ratio of no higher than 50 per cent

While the fund's primary focus is selected real estate in Greater China, where around 80 per cent will be invested, 20 per cent will be allocated for opportunities arising elsewhere in Asia, especially in Southeast Asia where Gaw Capital's executive team has a solid track record.

Gaw Capital Chairman Goodwin Gaw said: "With the continued support of our investors, we believe we are well positioned to participate in the continued growth and transformation of China's economy.

"Opportunities in the next 20 years, as China continues to transform from an export led economy to a more balanced economy, will offer unprecedented opportunities."

His brother Kenneth Gaw, the firm's co-founder and President, said: "After almost five years and now with over US\$1.5 billion in equity capital under management, Gaw Capital Partners has now grown into one of the leading real estate private equity fund managers in the region.

"Building on our 'best in class' acquisition and asset management teams, I am confident that we will be able to continue to deliver strong returns to our investors.

"With this successful track record, the latest fund will continue to expand our regional coverage as well as product type."

Humbert Pang, Managing Principal and head of the firm's China operation, said: "With the new fund we are continuing our strategy since 2007, expanding more into China's second and third-tier cities.

"Taking advantage of urbanization programs and recent policy initiatives to stimulate domestic demand and growth, we are embarking not only on residential projects in these cities but also integrated projects with commercial, offices, retail and even hospitality elements."

Christina Gaw, Managing Principal who oversees marketing and capital markets division for Gaw Capital Partners, involved in fund raising and investor relations, noted that Gateway Capital Real Estate Fund III had been successfully completed despite a "tough fund raising environment in the past 18 months, with global liquidity remaining relatively tight".

She attributed the successful fund-raising exercise to Gaw Capital's "integrated company structure, strong track record and unique positioning" in the Greater China region and selective Asian countries.

With its third fund, Gaw Capital Partners is steering clear of real estate in China's Tier 1 cities such as Beijing, Shanghai and Guangzhou, with the exception of possible "distressed purchases" at discount prices.

Rather, Gaw Capital is earmarking China's growing affluent middle-class in emerging economic powerhouses such as Dalian, Jiangsu Province and Chengdu where "government policies are much more accommodating, even in today's tightening environment".

### **About Gaw Capital Partners**

Gaw Capital Partners is a private equity fund management company with a strong geographic focus on Greater China and Asian real estate markets.

It was founded by brothers Goodwin and Kenneth Gaw in 2005. Humbert Pang and Christina Gaw subsequently joined as Managing Principals.

Gaw is especially experienced in 'high barrier to entry' markets – enjoying great success from a proven track record aggressively pursuing investments where it can add strategic value by designing, repositioning and converting under-utilised real estate.

The core team comprises talented professionals with diverse experience and expertise in real estate acquisitions and asset management twinned with legal and financing know-how across special in-house integrated operating platforms.

These integrated platforms in residential, retail and hospitality are its key competitive advantage, providing superior quality and cost control over projects while generating optimum results/returns and a proven track record with institutional capital partners.

With a wealth of transaction experience in global real estate markets spanning Asia, Europe and North America, the team works closely together identifying and creating potentially rewarding investment opportunities.

The company's success is built on in-depth knowledge of markets and extensive, well-developed relationships with an eclectic range of local real estate brokerage firms, operating partners, developers and investors across the Asia.

These diverse connections, combined with the team's multi-cultural background and approach, dynamically position Gaw Capital Partners as uniquely capable fund managers in Asia's fiercely competitive market.

For more information, please visit [\*\*www.gawcapital.com\*\*](http://www.gawcapital.com)

- ends-