



CAPITALAND LIMITED

Registration Number: 198900036N
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT

**JOINT VENTURE BETWEEN CAPITALAND, CAPITALAND COMMERCIAL TRUST AND
MITSUBISHI ESTATE COMPANY TO REDEVELOP GOLDEN SHOE CAR PARK
INTO AN INTEGRATED DEVELOPMENT**

CapitaLand Limited ("**CapitaLand**") and together with its subsidiaries, the "**CapitaLand Group**") wishes to announce that it has, through its wholly owned subsidiary, CapitaLand Singapore Limited ("**CLS**"), entered into a 45:45:10 joint venture ("**Joint Venture**") with CapitaLand Commercial Trust ("**CCT**") and Mitsubishi Estate Co., Ltd ("**MEC**") respectively to invest in the redevelopment of Golden Shoe Car Park at 50 Market Street, Singapore 048940 (the "**Property**") into an integrated development comprising Grade A office, ancillary retail, serviced residence and food centre with a gross floor area of approximately one million square feet (the "**New Building**").

The proposed redevelopment (the "**Project**") will be carried out by two single purpose trusts, being Glory Office Trust ("**GOT**") in relation to the proposed commercial component of the New Building ("**Commercial Component**"), and Glory SR Trust ("**GSRT**") in relation to the proposed serviced residence component of the New Building ("**Serviced Residence Component**") (GOT and GSRT together, the "**Trusts**"). Upon the completion of the Project, the airspace lot comprising the food centre will be surrendered to the Head Lessor and allocated to the Ministry of the Environment and Water Resources.

The Property is presently held by CL Office Trustee Pte. Ltd. as the trustee-manager of GOT ("**Glory Office Trustee-Manager**"). The Property is held by Glory Office Trustee-Manager subject to an agreement for lease in relation to the Serviced Residence Component in favour of Glory SR Trustee Pte. Ltd. as trustee-manager of GSRT ("**Glory SR Trustee-Manager**") (as lessee) for the remaining period of the land lease of the Property until 30 January 2081, one day before the expiry date of the land lease of the Property.

In connection with the Joint Venture, CLS has, on 12 July 2017, (a) together with its wholly owned subsidiary, Glory Office Pte. Ltd. ("**GOPL**"), entered into a joint venture agreement ("**GOT JVA**") with HSBC Institutional Trust Services (Singapore) Limited as trustee of CCT ("**CCT Trustee**"), CapitaLand Commercial Trust Management Limited as manager of CCT ("**CCT Manager**"), the Glory Office Trustee-Manager, MEC and its wholly owned subsidiary MEA Commercial Holdings Pte. Ltd. ("**MEACH**"), and (b) together with its wholly owned subsidiary Glory SR Pte. Ltd. ("**GSRPL**"), entered into a joint venture agreement ("**GSRT JVA**", and together with the GOT JVA, the "**JVAs**") with the CCT Trustee, the CCT Manager, the Glory SR Trustee-Manager, MEC and MEACH.

Pursuant to the terms of the JVAs, units in the Trusts have been subscribed for in the proportion set out in the table below:

	GOT	GSRT
CCT	45%	45%
GOPL	45%	N.A.
GSRPL	N.A.	45%
MEACH	10%	10%

Upon the issue of units at S\$1 each in GOT and GSRT to GOPL and GSRPL, GOT and GSRT will become 45%-owned associates of CapitaLand.

The estimated cost of the Project (including the cost of the Property) is approximately S\$1.82 billion, which will be apportioned between the Trusts. Each Trust will finance the Project through a combination of equity, unitholders' loans and external financing. The subscribers of units of GOT and GSRT have undertaken in the JVAs to contribute S\$728.0 million in aggregate between them (such aggregate amount to be apportioned between the Trusts) by subscribing for units and/or extending unitholders' loans in the respective proportion of units registered in their names.

CapitaLand Group has been appointed to provide project management services for the Project. Pursuant to the JVAs, the parties thereto have also agreed to appoint CapitaLand Group to provide marketing and leasing, and property management services for the New Building (excluding the food centre), and serviced residence management and technical advisory services for the Serviced Residence Component.

CapitaLand believes that the Joint Venture will allow each partner to contribute its unique expertise and knowledge to the development of the Project. The New Building will enhance CapitaLand's office and serviced residence footprint in Singapore and is in line with its strategy to strengthen its position in Singapore's CBD. The Property sits in the heart of Singapore's CBD and with its ease of access to transportation and amenities, is an ideal location to meet the demand by companies seeking offices in the CBD. The Joint Venture also demonstrates CapitaLand's committed support for CCT, which is its sponsored commercial real estate investment trust in Singapore. The temporary occupation permit for the New Building is estimated to be received sometime in 1H 2021.

Pursuant to the GOT JVA, CCT Trustee has been granted call options to acquire the New Building from GOT (subject to the lease of the Serviced Residence Component to GSRT, and excluding the food centre) or the units in GOT held by GOPL and MEACH, exercisable at any time within five years following the date of issuance of the temporary occupation permit for the New Building. The purchase price for the New Building (subject to the lease of the Serviced Residence Component and excluding the food centre) will be the average of two valuations obtained, provided that the purchase price is not less than a Base Price calculated as the total development costs for the New Building incurred by the Glory Office Trustee-Manager up to the date of valuation less any net property income compounded quarterly by a 6.3% p.a. return. In respect of the call option over units, the purchase price for the units will be determined based on the average of two valuations obtained and which must be not less than the Base Price.

The above is not expected to have any material impact on the net tangible assets or earnings per share of the CapitaLand Group for the financial year ending 31 December 2017.

Mr Lim Ming Yan is a Director and the President and Group Chief Executive Officer of CapitaLand. He is also the Deputy Chairman and a Non-Executive Non-Independent Director of the CCT Manager. Temasek Holdings (Private) Limited is the controlling shareholder of CapitaLand and a controlling unitholder of CCT. Saved as disclosed, none of the Directors or the controlling shareholder of CapitaLand has any interest, direct or indirect, in the above.

By Order of the Board

Michelle Koh
Company Secretary
13 July 2017