



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

## **ANNOUNCEMENT**

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### **PROPOSED ACQUISITION OF 49% INTEREST IN SPECIAL PURPOSE COMPANY WHICH HOLDS ROCK SQUARE, GUANGZHOU, CHINA**

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CapitaLand Limited ("**CapitaLand**") wishes to announce that it has entered into a conditional put and call option agreement to acquire 49% of the issued shares of Gold Yield Pte. Ltd. ("**Gold Yield**"). Gold Yield holds a shopping mall in Guangzhou, China known as Rock Square (the "**Property**"), through Guangzhou Starshine Properties Co., Ltd. ("**GZ Starshine**"), a wholly owned subsidiary of Gold Yield incorporated in China. At the same time, CapitaLand Retail China Trust ("**CRCT**") in which CapitaLand has a deemed interest of 39.4%, has also entered into the same agreement to acquire the remaining 51% of the issued shares of Gold Yield. The above acquisitions are referred to as "**Joint Acquisition**" in this announcement.

CapitaLand and CRCT have entered into the conditional put and call option agreement through their respective wholly owned subsidiaries, Gold Ruby Pte. Ltd. ("**Gold Ruby**") and Gold Rock Investment Pte. Ltd. ("**Gold Rock**"). Gold Ruby and Gold Rock have also entered into a joint venture agreement to regulate their relationship *inter se* in relation to the management of Gold Yield and GZ Starshine.

The Joint Acquisition is in line with CapitaLand's strategy of investing in core cities and dominant assets in China and allows CapitaLand to increase its exposure in Guangzhou, a first-tier city in China.

The purchase consideration for the Joint Acquisition (the "**Purchase Consideration**") comprises:

- (i) **Equity Consideration** – based on the adjusted aggregated net asset value ("**NAV**") of Gold Yield and GZ Starshine (collectively, the "**Target Companies**") as at the date of completion of the Joint Acquisition ("**Completion**", and the date of Completion, the "**Completion Date**"); and
- (ii) **Loan Settlement Amount** – based on the outstanding principal amount of an existing onshore bank loan owing by GZ Starshine at Completion (the "**Onshore Loan**").

The estimated Purchase Consideration payable on the Completion Date is approximately RMB3,360.7 million<sup>1</sup> (approximately S\$688.9 million<sup>2</sup>).

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<sup>1</sup> Based on the pro forma adjusted aggregate NAV of the Target Companies as at 30 June 2017 which is subject to post-Completion adjustments. The actual amount of the Purchase Consideration payable for the Joint Acquisition will only be determined after the Completion Date.

<sup>2</sup> The Renminbi amounts in this announcement have been translated into Singapore dollars based on the exchange rate of S\$1 to RMB4.87829.

The Equity Consideration was negotiated on a willing-buyer and willing-seller basis based on the adjusted aggregated NAV of the Target Companies, the assets of which consist of (but are not limited to) the Property with an agreed value of RMB3,340.7 million (approximately S\$684.8 million), taking into account the independent valuation of the Property of RMB3,360.0 million (approximately S\$688.8 million).

The manager of CRCT (the “**CRCT Manager**”) and the trustee of CRCT have jointly commissioned an independent property valuer, Savills Valuation & Professional Services (S) Pte Ltd (the “**Independent Valuer**”) to value the Property. The open market value of the Property as at 3 November 2017 is RMB3,360.0 million (approximately S\$688.8 million) as stated in the valuation report of the Independent Valuer. The methods used by the Independent Valuer were the discounted cash flow method and the capitalisation method.

Upon Completion, CapitaLand will have an aggregate interest of approximately 69%<sup>3</sup> in each of Gold Yield and GZ Starshine. Thus, Gold Yield and GZ Starshine will become subsidiaries of CapitaLand upon Completion.

CapitaLand intends to finance its share of the Joint Acquisition through a combination of existing cash and external financing. 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 CRCT Manager which is a wholly owned subsidiary of CapitaLand. He is an unitholder of CRCT. Temasek Holdings (Private) Limited is the controlling shareholder of CapitaLand and a controlling unitholder of CRCT. Save as disclosed and based on information available to CapitaLand as at the date of this announcement, none of the Directors or the controlling shareholder of CapitaLand has any interest, direct or indirect, in the Joint Acquisition.

By Order of the Board

Michelle Koh  
Company Secretary  
28 November 2017

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<sup>3</sup> Comprising 49% interest through Gold Ruby and approximately 20% interest through CRCT’s interest in Gold Rock.