



CAPITALAND LIMITED

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

ANNOUNCEMENT

PROPOSED ACQUISITION OF A PORTFOLIO OF OFFICE AND RETAIL ASSETS IN THE GREATER TOKYO AREA OF JAPAN

CapitaLand Limited ("**CapitaLand**") wishes to announce that it has, through its wholly owned subsidiaries, entered into various conditional sale and purchase agreements with parties unrelated to CapitaLand to acquire a portfolio of income-producing office and retail assets in the Greater Tokyo area of Japan (the "**Acquisition**"), comprising the following:

- (a) Yokohama Blue Avenue, a multi-tenanted office property located at 4-4-2 Minatomirai, Nishi-ku, Yokohama-shi, Kanagawa ("**Yokohama Blue Avenue**");
- (b) Sun Hamada, a multi-tenanted office property located at 1-19-20 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa ("**Sun Hamada**");
- (c) Kokugikan Front, a multi-tenanted office property located at 1-10-5 Yokoami, Sumida-ku, Tokyo ("**Kokugikan Front**"); and
- (d) Seiyu & Sundrug, a master leased retail property located at 11-2 Komatsubara-cho, Higashi-Matsuyama-shi, Saitama ("**Seiyu & Sundrug**", together with the properties referred to in paragraphs (a), (b) and (c) above, the "**Target Properties**"),

at an agreed property price of JPY49.7 billion (approximately S\$620.1 million) (the "**Agreed Property Price**").

The CapitaLand Group had a total asset size of approximately S\$1.8 billion in Japan as of 31 December 2016. The Acquisition will increase the CapitaLand Group's total asset size in Japan to approximately S\$2.5 billion and deepen the CapitaLand Group's exposure to Greater Tokyo, the world's most populous metropolis, through assets with stable yields and recurring cash flow. With the addition of the Target Properties, the enlarged portfolio will enable the CapitaLand Group to develop its platform and advance a long-term business strategy for its operations in Japan.

The aggregate consideration payable by CapitaLand for the Acquisition is JPY51.0 billion (approximately S\$636.3 million) (the "**Aggregate Consideration**"), comprising the following:

- (a) JPY49.7 billion (approximately S\$620.1 million) for the Target Properties, which is derived from the Agreed Property Price negotiated on a willing-buyer and willing-seller basis taking into account the independent valuations of the Target Properties. Two independent property valuers¹, Tanizawa Sogo Appraisal Co., Ltd and Cushman & Wakefield Kabushiki Kaisha, were commissioned by CapitaLand to value the Target Properties. The Target Properties were valued at JPY49.8 billion (approximately S\$621.6 million) as of 31 January 2017; and
- (b) JPY1.3 billion (approximately S\$16.2 million) for property-related taxes in relation to the Target Properties.

The Aggregate Consideration will be satisfied in cash and will be financed by a combination of internal funds and borrowings.

Subject to the fulfilment of certain conditions precedent set out in the definitive agreements, the Acquisition is expected to be completed in the first quarter of 2017.

The Acquisition 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.

None of the directors and the controlling shareholder of CapitaLand has any interest, direct or indirect, in the Acquisition.

By Order of the Board

Michelle Koh
Company Secretary
17 February 2017

¹ Tanizawa Sogo Appraisal Co., Ltd was appointed to value Yokohama Blue Avenue, Sun Hamada and Kokugikan Front. Cushman & Wakefield Kabushiki Kaisha was appointed to value Seiyu & Sundrug.