CAPITALAND INVESTMENT LIMITED
(Registration Number: 200308451M)
(Incorporated in the Republic of Singapore)

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ANNOUNCEMENT

PROPOSED DISTRIBUTION *IN SPECIE* OF UNITS IN CAPITALAND ASCOTT TRUST

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1. INTRODUCTION

CapitaLand Investment Limited ("**CLI**" or the "**Company**" and together with its subsidiaries, the "**Group**" or "**CLI Group**") wishes to announce that the Company is proposing to undertake a distribution *in specie* (the "**Proposed Distribution**") to distribute 292.0 million stapled securities in CapitaLand Ascott Trust (formerly known as Ascott Residence Trust) ("**CLAS**" and such stapled securities, the "**CLAS Units**") held by it (through its wholly-owned subsidiaries), representing approximately 8.48% of the CLAS Units in issue as at the date of this Announcement[1], to the shareholders of the Company (the "**Shareholders**") on a *pro rata* basis.

2. RATIONALE FOR THE PROPOSED DISTRIBUTION

The Company's holding of CLAS Units through its directly and indirectly held wholly-owned subsidiaries is for long term investment purposes. The Board of Directors of the Company (the "**Board**") is of the view that the Proposed Distribution would be beneficial to the Company and Shareholders as follows:

2.1 Enable CLI Shareholders to participate in the growth of Asia-Pacific's Largest Lodging Trust

With the reopening of economies in 2022 and China's relaxation of its zero COVID-19 policy in December 2022, the lodging and hospitality sectors have registered strong recovery and are well-positioned for future growth. CLAS, Asia-Pacific's largest lodging trust, has a diversified and well-balanced portfolio, and is expected to benefit from pent-up demand for travel as more destinations reopen and international travel continues to grow. The Board therefore considers that now is an opportune time to unlock value for Shareholders by providing them with the opportunity to participate in the post COVID-19 growth of the lodging sector through the proposed distribution of CLAS Units, and at the same time rebalance CLI's holding in CLAS.

[1] Unless otherwise specified, all references to percentage unitholding in CLAS in this Announcement are based on 3,445,624,968 issued CLAS Units as at the date of this Announcement.

2.2 Strategic Alignment and Capital Management

As a leading global real estate investment manager, CLI aims to deliver sustainable growth and high return-on-equity ("**ROE**") to its Shareholders. The Proposed Distribution is part of the company's ongoing capital management. It also creates an opportunity for CLI to support the growth of the investor base of its sponsored real estate investment trusts ("**REITs**") and business trusts. Post the Proposed Distribution, CLI will remain the largest unitholder of CLAS with approximately 29.05% of CLAS Units, maintaining strong alignment with CLAS unitholders' interests. CLI remains fully committed as a sponsor of CLAS to further developing CLAS, and all of its other REITs and business trusts, into robust growth engines through supporting their asset development, acquisition and fund-raising activities.

3. INFORMATION ON CAPITALAND ASCOTT TRUST

3.1 General

CLAS is the largest lodging trust in Asia-Pacific with an asset value of S$8.0 billion as at 31 December 2022. CLAS is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust (formerly known as Ascott Real Estate Investment Trust) ("**CapitaLand Ascott REIT**"), and CapitaLand Ascott Business Trust (formerly known as Ascott Business Trust) ("**CapitaLand Ascott BT**"). CLAS was listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") since March 2006, and is a constituent of the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index). CLAS is managed by CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott REIT), and CapitaLand Ascott Business Trust Management (as trustee-manager of CapitaLand Ascott BT).

CLAS's objective is to invest primarily in income-producing real estate and real estate-related assets which are used or predominantly used as serviced residences, rental housing properties, student accommodation and other hospitality assets in any country in the world.

3.2 Financial Information

Based on the unaudited consolidated financial statements of CLAS for its financial year ended 31 December 2022 (the "**CLAS FY2022 Financial Results**"):

(a) the revenue and net profit before tax of CLAS are approximately S$621 million and S$260 million respectively; and

(b) the net asset value of CLAS attributable to its unitholders is approximately S$3,965 million as at 31 December 2022.

4. DETAILS OF THE PROPOSED DISTRIBUTION

4.1 Method of Distribution and Distribution Ratio

As at the date of this Announcement, the Company does not have any direct interest in CLAS but holds 1,293,051,703 CLAS Units, representing approximately 37.53% of the total number of CLAS Units in issue as at the date of this Announcement, through its directly and indirectly

wholly-owned subsidiaries.[2]

To facilitate the Proposed Distribution, the Company's directly held wholly-owned subsidiary, The Ascott Limited, will undertake a distribution *in specie* to distribute 292.0 million CLAS Units to the Company, representing approximately 8.48% of the CLAS Units in issue as at the date of this Announcement.

The Proposed Distribution is subject to the satisfaction of the conditions set out in paragraph 4.4 below. As the number of CLAS Units to be distributed pursuant to the Proposed Distribution is fixed, the distribution ratio in respect of the Proposed Distribution will vary depending on the total number of shares in the issued share capital of the Company (the "**Share"** or "**CLI Share**") in issue as at a record date to be determined by the Company (the "**Record Date**") and will be announced by the Company in due course. As at the date of this Announcement, the Company has a share capital comprising of 5,114,165,091 Shares (excluding treasury shares). On the basis that there is no change to the number of Shares in issue as at the date of this Announcement and the Record Date, for illustrative purposes, the Proposed Distribution will be effected on the basis of **0.057 CLAS Units for one Share** held by each Entitled Shareholder (as defined below) as at the Record Date, fractional entitlements to be disregarded.

Entitled Shareholders will receive the CLAS Units free of cash outlay. The CLAS Units will be distributed free of encumbrances and together with all rights attaching thereto on and from the date the Proposed Distribution is completed.

4.2 Entitled Shareholders

Shareholders who hold Shares as at the Record Date will be entitled to the Proposed Distribution (the "**Entitled Shareholders**").

4.3 Appropriation from Retained Profits

To effect the Proposed Distribution as a dividend *in specie* (characterized as a one-tier dividend), the Company will appropriate an amount out of the retained profits of the Company to meet the amount of dividend to be declared. The final appropriated amount is expected to be based on the value of the CLAS Units on the date the Proposed Distribution is completed (the "**Completion Date**"). For illustrative purposes, assuming that CLAS is trading at S$1.04 per CLAS Unit on the Completion Date, the amount to be appropriated would be approximately

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[2] Being:

(a) CapitaLand Ascott Trust Management Limited, which directly holds 239,155,850 CLAS Units, representing approximately 6.94% of the total number of CLAS Units in issue as at the date of this Announcement;

(b) CapitaLand Ascott Business Trust Management Pte. Ltd., which directly holds 5,685,872 CLAS Units, representing approximately 0.17% of the total number of CLAS Units in issue as at the date of this Announcement;

(c) Carmel Plus Pte. Ltd., which directly holds 3,264,805 CLAS Units, representing approximately 0.095% of the total number of CLAS Units in issue as at the date of this Announcement;

(d) The Ascott Limited, which directly holds 476,152,416 CLAS Units, representing approximately 13.82% of the total number of CLAS Units in issue as at the date of this Announcement; and

(e) Somerset Capital Pte Ltd, which directly holds 568,792,760 CLAS Units, representing approximately 16.51% of the total number of CLAS Units in issue as at the date of this Announcement.

S$304 million.

4.4 Conditions to the Proposed Distribution

The Proposed Distribution is subject to and conditional upon, *inter alia*, the satisfaction or waiver of the following conditions precedent:

(a) the approval of Shareholders by way of an ordinary resolution for the Proposed Distribution at the forthcoming annual general meeting of the Company; and

(b) all other necessary waivers, consents and approvals from, *inter alia*, the SGX-ST and other third parties in connection with the Proposed Distribution being obtained.

4.5 Effects of the Proposed Distribution

On completion of the Proposed Distribution, the Company will continue to hold (through its wholly-owned subsidiaries) 1,001,051,703 CLAS Units, representing approximately 29.05% of the total number of CLAS Units in issue as at the date of this Announcement.

The Proposed Distribution will result in a decrease in CLI Group's unitholding in CLAS by approximately 8.48%, from approximately 37.53% to approximately 29.05%.

Entitled Shareholders will hold both CLI Shares and CLAS Units. **The Proposed Distribution will not result in any change to the issued and paid-up share capital of the Company after the Proposed Distribution or to the number of CLI Shares held by each Entitled Shareholder.**

4.6 Notice of Record Date

Subject to the fulfilment of the conditions to the Proposed Distribution, the Company will, in due course, announce the Record Date in order to determine the entitlements of each Entitled Shareholder to the CLAS Units.

4.7 Odd Lots

The CLAS Units are currently traded in board lots of 100 CLAS Units in the ready market. Entitled Shareholders may receive odd lots of CLAS Units pursuant to the Proposed Distribution (that is, lots other than board lots of 100 CLAS Units). Entitled Shareholders who receive odd lots of CLAS Units pursuant to the Proposed Distribution and who wish to trade such odd lots of CLAS Units on the SGX-ST are able to trade with a minimum size of one CLAS Unit on the Unit Share Market of the SGX-ST. Entitled Shareholders should note that the market for trading of odd lots of CLAS Units may be illiquid and trading in odd lots of CLAS Units may also incur a proportionately higher brokerage cost than trading in board lots of CLAS Units.

5. FINANCIAL EFFECTS OF THE PROPOSED DISTRIBUTION

5.1 Bases and Assumptions

The pro forma financial effects of the Proposed Distribution on selected financial measures of the Group have been prepared based on the unaudited consolidated financial statements of the Group for FY2022 and the unaudited consolidated financial statements of CLAS for FY2022 and are purely for illustrative purposes only and do not reflect the future actual financial position of the Group following the completion of the Proposed Distribution.

The pro forma financial effects have also been prepared based on, *inter alia*, the following assumptions:

(a) the Proposed Distribution of such CLAS Units will be based on the value of the CLAS Units on the Completion Date. For the pro forma financial purposes, assuming that CLAS is trading at S$1.04 per CLAS Unit on the Completion Date, the amount of the Proposed Distribution is approximately S$304 million;

(b) the net borrowings, net gearing, net tangible assets (the "**NTA**") and net asset value (the "**NAV**") per Share of the Group have been prepared on the assumption that the Proposed Distribution had been completed on 31 December 2022, being the end of the most recently completed financial year of the Group; and

(c) the earnings per Share (the "**EPS**") of the Group has been prepared on the assumption that: the Proposed Distribution had been completed on 1 January 2022, being the beginning of the most recently completed financial year of the Group, and the distribution had been made at CLAS's unit price of S$1.04 as at 22 February 2023.

5.2 NTA and NAV

For illustrative purposes only, assuming that the Proposed Distribution had been completed on 31 December 2022, the pro forma financial effects of the Proposed Distribution on the NTA, NTA per Share, NAV and NAV per Share of the Group are as follows:

	Before the Proposed Distribution	**After the Proposed Distribution**
NTA (S$ million)	13,991	13,687
NTA per Share[(1)] (S$)	2.74	2.68
NAV (S$ million)	15,133	14,829
NAV per Share[(1)] (S$)	2.96	2.90

Note:

(1) The figures are based on the issued share capital of 5,114,165,091 Shares (excluding treasury shares) as at 31 December 2022.

5.3 EPS

For illustrative purposes only, assuming that the Proposed Distribution had been completed on 1 January 2022, the pro forma financial effects of the Proposed Distribution on the EPS of the Group are as follows:

	Before the Proposed Distribution	After the Proposed Distribution
Net profit attributable to ordinary shareholders (S$ million)	861	842
EPS[(1)] (S$ cents)	16.8	16.4

Note:

(1) The figures are based on the weighted average of 5,129,260,896 Shares (excluding treasury shares) as at 31 December 2022.

5.4 Leverage Ratios

For illustrative purposes only, assuming that the Proposed Distribution had been completed on 31 December 2022, the pro forma financial effects of the Proposed Distribution on the leverage ratios of the Group are as follows:

	Before the Proposed Distribution	After the Proposed Distribution
Net debt (S$ million)	9,922	9,922
Net debt-to-equity ratio (times)	0.52x	0.53x

5.5 Share Capital

The Proposed Distribution will not have any impact on the number of Shares held by Shareholders after the Proposed Distribution or on the share capital of the Company.

6. OVERSEAS SHAREHOLDERS

Where the Board is of the view that the distribution of the CLAS Units to any Overseas Shareholders (as defined below) may infringe any relevant foreign law or may necessitate compliance with conditions or requirements which they, in their sole discretion, regard as onerous by reason of costs, delay or otherwise, the CLAS Units which such Overseas Shareholders would have been entitled to pursuant to the Proposed Distribution (the "**Overseas Shareholders' CLAS Units**") will not be distributed to such Overseas Shareholders. Instead, the Overseas Shareholders' CLAS Units shall be transferred to such person(s) as the Board may appoint, to sell the relevant CLAS Units and thereafter to distribute the net proceeds proportionately among such Overseas Shareholders. For the purposes of this Announcement, "**Overseas Shareholders**" means Entitled Shareholders whose registered address appearing in the register of members of the Company or the depository register maintained by The Central

Depository (Pte) Limited (as the case may be) is outside Singapore.

Further information on the entitlements of the Overseas Shareholders will be set out in the Circular (as defined below).

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

7.1 Interests of Directors and Substantial Shareholders in the Shares

As at the Announcement Date, the interests in Shares and CLAS Units held by the directors and Shareholders holding directly or indirectly 5% or more of the Shares (the "**Substantial Shareholders**") of the Company are set out below:

Directors	**Direct Interest**		**Deemed Interest**		**Total Interest**	
	No. of Shares	**%[6]**	**No. of Shares**	**%[6]**	**No. of Shares**	**%[6]**
Mr Miguel Ko	1,337,793[1]	0.0262	-	-	1,337,793	0.0262
Mr Lee Chee Koon[2]	2,470,572[3]	0.0483	-	-	2,470,572	0.0483
Mr Anthony Lim Weng Kin	61,155	0.0012	1,000[4]	n.m.[5]	62,155	0.0012
Mr Chaly Mah Chee Kheong	130,367[3]	0.0025	-	-	130,367	0.0025
Mr Kee Teck Koon	108,163	0.0021	-	-	108,163	0.0021
Mr Gabriel Lim Meng Liang	-	-	-	-	-	-
Ms Judy Hsu Chung Wei	6,882	0.0001	-	-	6,882	0.0001
Mr David Su Tuong Sing	-	-	-	-	-	-
Ms Helen Wong Siu Ming	-	-	-	-	-	-
Tan Sri Abdul Farid bin Alias	-	-	-	-	-	-

Notes:

(1) Shares are jointly held by Mr Miguel Ko and his spouse through DBS Nominees (Private) Limited.

(2) Mr Lee Chee Koon also has interest in:

(a) the awards granted under share schemes implemented by the Company or otherwise (the "**Awards**") comprising 941,254 Shares to be vested/ delivered after 2022;

(b) Awards comprising 1,116,813 Shares to be vested/ delivered after 2023;

(c) Awards comprising up to 3,499,350 Shares; and

(d) Awards comprising up to 552,249 Shares.

The Awards referenced in sub-paragraphs (a) and (b) were granted to Mr Lee Chee Koon under the CapitaLand Investment Performance Share Plan 2021 ("**CLI PSP 2021**") following the completion of the strategic restructuring and demerger of the investment management business of CapitaLand Limited ("**CL**"), in lieu of the vested CL shares arising from share awards granted to Mr Lee under CL's share plans; these Awards will vest progressively over 3 years in accordance with the original vesting schedules of the relevant share awards under the CL's share plans. In relation to the Awards referenced in sub-paragraph (c), the final number of Shares to be released will depend on the achievement of pre-determined targets at the end of the respective performance periods under the CLI PSP 2021. In relation to the Awards referenced in sub-paragraph (d), on the final vesting of the Awards, an additional number of Shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the CapitaLand Investment Restricted Share Plan 2021 will also be released.

(3) Shares are held through DBS Nominees (Private) Limited.

(4) Mr Anthony Lim Weng Kin is deemed to have an interest in the 1,000 Shares held by his spouse.

(5) "n.m." means not meaningful.

(6) The figures are based on the issued share capital of 5,114,165,091 issued Shares (excluding 89,030,701 treasury shares) as at the date of this Announcement.

Substantial Shareholders	**Direct Interest No. of Shares**	**%[4]**	**Deemed Interest No. of Shares**	**%[4]**	**Total Interest No. of Shares**	**%[4]**
CapitaLand Group Pte. Ltd.	2,693,106,549[1]	52.6597	-	-	2,693,106,549	52.6597
CLA Real Estate Holdings Pte. Ltd.	-	-	2,693,106,549[1]	52.6597	2,693,106,549	52.6597
TJ Holdings (III) Pte. Ltd.	-	-	2,693,106,549[1]	52.6597	2,693,106,549	52.6597
Glenville Investments Pte. Ltd.	-	-	2,693,106,549[1]	52.6597	2,693,106,549	52.6597
Mawson Peak Holdings Pte. Ltd.	-	-	2,693,106,549[1]	52.6597	2,693,106,549	52.6597
Bartley Investments Pte. Ltd.	-	-	2,693,106,549[1]	52.6597	2,693,106,549	52.6597
Tembusu Capital Pte. Ltd.	-	-	2,705,214,849[1][2]	52.8965	2,705,214,849	52.8965

Substantial Shareholders	Direct Interest No. of Shares	%[4]	Deemed Interest No. of Shares	%[4]	Total Interest No. of Shares	%[4]
Temasek Holdings (Private) Limited	-	-	2,705,563,281[1][3]	52.9033	2,705,563,281	52.9033

Notes:

(1) CapitaLand Group Pte. Ltd. ("**CLG**") was formerly known as CapitaLand Limited.

CLG is a wholly-owned subsidiary of CLA Real Estate Holdings Pte. Ltd. ("**CLA Real Estate**") (formerly known as Ascendas-Singbridge Pte. Ltd.), which in turn is a wholly owned subsidiary of TJ Holdings (III) Pte. Ltd. ("**TJIII**"), which in turn is a wholly owned subsidiary of Glenville Investments Pte. Ltd. ("**Glenville**"), which in turn is a wholly-owned subsidiary of Mawson Peak Holdings Pte. Ltd. ("**Mawson**"), which in turn is a wholly-owned subsidiary of Bartley Investments Pte. Ltd. ("**Bartley**"), which in turn is a wholly-owned subsidiary of Tembusu Capital Pte. Ltd. ("**Tembusu**"), which in turn is a wholly-owned subsidiary of Temasek Holdings (Private) Limited ("**Temasek**").

CLA Real Estate, TJIII, Glenville, Mawson, Bartley, Tembusu and Temasek, respectively, are deemed to have an interest in the Shares in which CLG has or is deemed to have an interest, by virtue of section 4 of the Securities and Futures Act 2001 ("**SFA**").

(2) Tembusu is deemed to have an interest in the Shares in which its subsidiaries have or are deemed to have an interest in, by virtue of section 4 of the SFA.

(3) Temasek is deemed to have an interest in the Shares in which its subsidiaries and associated companies have or are deemed to have an interest, by virtue of section 4 of the SFA.

(4) The figures are based on the issued share capital of 5,114,165,091 issued Shares (excluding 89,030,701 treasury shares) as at the date of this Announcement.

7.2 Interests of the Directors and Substantial Shareholders in the CLAS Units

The interests of the Directors in the CLAS Units, and the interests of the Substantial Shareholders in the CLAS Units as at the date of this Announcement are set out below:

Directors	Direct Interest No. of CLAS Units	%[3]	Deemed Interest No. of CLAS Units	%[3]	Total Interest No. of CLAS Units[4]	%[3]
Mr Miguel Ko	1,588,400[1]	0.0461	-	-	1,588,400	0.0461
Mr Lee Chee Koon	46,440[2]	0.0013	-	-	46,440	0.0013
Mr Anthony Lim Weng Kin	-	-	-	-	-	-
Mr Chaly Mah Chee Kheong	-	-	-	-	-	-
Mr Kee Teck Koon	-	-	-	-	-	-

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of CLAS Units	%[3]	No. of CLAS Units	%[3]	No. of CLAS Units[4]	%[3]
Mr Gabriel Lim Meng Liang	-	-	-	-	-	-
Ms Judy Hsu Chung Wei	-	-	-	-	-	-
Mr David Su Tuong Sing	-	-	-	-	-	-
Ms Helen Wong Siu Ming	-	-	-	-	-	-
Tan Sri Abdul Farid bin Alias	-	-	-	-	-	-

Notes:

(1) The CLAS Units are jointly held by Mr Miguel Ko and his spouse.

(2) The CLAS Units are held through DBS Nominees (Private) Limited.

(3) The figures are based on 3,445,624,968 CLAS Units in issue as at the date of this Announcement.

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of CLAS Units	%[4]	No. of CLAS Units	%[4]	No. of CLAS Units	%[4]
CapitaLand Group Pte. Ltd.	-	-	1,293,051,703[1]	37.5273	1,293,051,703	37.5273
CLA Real Estate Holdings Pte. Ltd.	-	-	1,293,051,703[1]	37.5273	1,293,051,703	37.5273
TJ Holdings (III) Pte. Ltd.	-	-	1,293,051,703[1]	37.5273	1,293,051,703	37.5273
Glenville Investments Pte. Ltd.	-	-	1,293,051,703[1]	37.5273	1,293,051,703	37.5273
Mawson Peak Holdings Pte. Ltd.	-	-	1,293,051,703[1]	37.5273	1,293,051,703	37.5273
Bartley Investments Pte. Ltd.	-	-	1,293,051,703[1]	37.5273	1,293,051,703	37.5273
Tembusu Capital Pte. Ltd.	-	-	1,301,254,803[1][2]	37.7654	1,301,254,803	37.7654
Temasek Holdings (Private) Limited	-	-	1,304,791,243[1][3]	37.8681	1,304,791,243	37.8681

Notes:

(1) CLG holds 52.6597% of the issued Shares in the Company. CLG is a wholly-owned subsidiary of CLA Real Estate. CLA Real Estate is a wholly-owned subsidiary of TJIII, which in turn is a wholly-owned subsidiary of Glenville, which in turn is a wholly-owned subsidiary of Mawson, which in turn is a wholly-owned subsidiary of Bartley, which in turn is a wholly-owned subsidiary of Tembusu, which in turn is a wholly-owned subsidiary of Temasek.

CLG, CLA Real Estate, TJIII, Glenville, Mawson, Bartley, Tembusu and Temasek, respectively, are deemed to have an interest in the CLAS Units in which the Company has or is deemed to have an interest in pursuant to Section 4 of the SFA.

(2) Tembusu is deemed to have an interest in the CLAS Units in which its subsidiaries have or are deemed to have an interest in, by virtue of section 4 of the SFA.

(3) Temasek is deemed to have an interest in the CLAS Units in which its subsidiaries and associated companies have or are deemed to have an interest in, by virtue of section 4 of the SFA.

(4) The figures are based on 3,445,624,968 CLAS Units in issue as at the date of this Announcement.

Save as set out above, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Distribution, other than through their respective direct or indirect shareholdings and/or unitholdings (if any) in the Company and CLAS.

8. CIRCULAR AND FURTHER INFORMATION

8.1 A circular to Shareholders (the "**Circular**") containing further details in respect of the Proposed Distribution will be despatched to the Shareholders in due course.

8.2 In the meantime, Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations to be set out in the Circular.

By Order of the Board

Michelle Koh
Company Secretary
23 February 2023