



CAPITALAND LIMITED

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

ANNOUNCEMENT

**PROPOSED ACQUISITION OF SHARES IN
ASCENDAS PTE LTD AND SINGBRIDGE PTE. LTD.
BY CAPITALAND LIMITED**

1. INTRODUCTION

CapitaLand Limited ("**CapitaLand**") wishes to announce that it has today entered into a sale and purchase agreement (the "**SPA**") with Ascendas-Singbridge Pte. Ltd. (the "**Vendor**") for the sale by the Vendor and purchase by CapitaLand and/or its nominee(s) of all the issued and paid-up ordinary shares in each of Ascendas Pte Ltd ("**APL**") and Singbridge Pte. Ltd. (together with APL, the "**Target Companies**") for a total consideration of S\$6,035.9 million (the "**Consideration**"), to be satisfied by a combination of cash and new ordinary shares in CapitaLand ("**Consideration Shares**") (the "**Proposed Transaction**").

The Proposed Transaction constitutes an interested person transaction and a "major transaction" under Chapter 9 and Chapter 10 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") respectively, and is subject to the approval of the shareholders of CapitaLand (the "**Shareholders**").

2. INFORMATION ON THE TARGET COMPANIES

The Vendor is a subsidiary of Temasek Holdings (Private) Limited ("**Temasek**"). The Target Companies are subsidiaries of the Vendor, and are the holding companies of the business of the Ascendas-Singbridge Group.

As Asia's leading provider of business space solutions, Ascendas-Singbridge Group offers real estate solutions, from development and project management to facilities and estate management, as well as property investments and fund management. Headquartered in Singapore, Ascendas-Singbridge Group's business presence spans 11 countries including Singapore, China, India, Australia and the United States of America (the "**US**").

Ascendas-Singbridge Group has interests in, and manages, Ascendas Real Estate Investment Trust ("**Ascendas Reit**"), Ascendas India Trust ("**a-iTrust**") and Ascendas Hospitality Trust ("**A-**

HTRUST", and collectively with Ascendas Reit and a-iTrust, the "Ascendas Listed Trusts"), which are listed on the SGX-ST.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED TRANSACTION

Through the Proposed Transaction, CapitaLand will acquire the Ascendas-Singbridge Group and create a leading diversified real estate group in Asia (the "**Enlarged Group**"). The Proposed Transaction will create an entity with a value greater than a sum of the parts of CapitaLand and the Ascendas-Singbridge Group.

The strategic rationale for, and expected benefits of, the Proposed Transaction are outlined below:

(a) Achieves immediate scale in new sectors and markets

The Enlarged Group will deliver immediate scale and capabilities in the logistics/business parks sector through developer-owner-operator platforms with established track records. It is poised to benefit from growth megatrends, including e-commerce driven consumption, urbanisation and knowledge industries. The addition of the Target Companies' projects in logistics/business parks and data centres to CapitaLand's existing portfolio is expected to drive CapitaLand's future growth.

(b) Complementary strengths in existing core markets

The Proposed Transaction will complement CapitaLand's strengths in its existing core markets of Singapore and China. With the enlarged development pipeline across various segments in the core markets of Singapore and China and the potential to unlock the value of mature assets in the combined portfolio for reinvestment through portfolio optimisation, the Proposed Transaction is expected to place the Enlarged Group in a favourable position to deliver strong organic growth and income across cycles.

(c) Accelerates growth of income

With multiple drivers for returns on equity and income growth, through its fund management platform, development pipeline, investment properties, best-in-class operating platforms, new economy growth sectors, as well as continual capital recycling, the Enlarged Group's strong quality of earnings is expected to be reinforced. Both CapitaLand and Ascendas-Singbridge Group have track records in cultivating strong strategic relationships with reputable partners. The Enlarged Group is expected to benefit from these relationships with blue-chip partners who may be tapped on to further invest in other funds or create new funds.

(d) Increases competitiveness

The enhanced scale and scope of operations resulting from the Proposed Transaction is expected to place the Enlarged Group in prime position to offer the most comprehensive solutions to its customers. CapitaLand intends for the Enlarged Group

to harness technology to create operational efficiencies, build on its enlarged international network of customers, boost employee productivity and realise economies of scale.

(e) Enhances fund management capabilities

The Proposed Transaction will enhance CapitalLand's fund management capabilities and expand its fund management business to new asset classes and geographies. Upon completion of the Proposed Transaction, the enlarged fund and asset management platform will set the stage for the Enlarged Group to develop into a leading real estate fund and asset manager in Asia Pacific.

4. ORGANISATION OF THE ENLARGED GROUP

The Enlarged Group will be structured to provide each business with a clear mandate and accountability, as well as to facilitate their future growth. The Enlarged Group will comprise the following businesses:

- (a) Singapore and International;
- (b) China;
- (c) Industrial, Logistics and Business Parks;
- (d) Lodging; and
- (e) Funds and Asset Management.

The residential, commercial, retail, integrated development, investment and management business in CapitalLand's core and new markets will be undertaken through the first two business units. The China business unit will also take on the role of the Enlarged Group's urbanisation solutions provider platform, through which it participates in urbanisation opportunities to build and manage sustainable and holistic ecosystems.

The Industrial, Logistics and Business Parks business unit will be the developer, owner and operator arm for the sub-sector of industrial, logistics and business parks.

The listed and private fund management activities will be carried out under the Funds and Asset Management business unit. CapitalLand plans to grow the funds and asset management business further to transform it into a global real estate asset manager.

The Lodging business unit will own and operate lodging properties. CapitalLand presently manages over 94,000 units across 30 countries and is one of the leading lodging companies globally. With a portfolio of highly reputable brands, the lodging business' diversified global platform has the potential for meaningful growth and value creation. CapitalLand intends to harness its strengths and expertise and at a suitable time in the future, consider options including the possibility of a spin off so as to provide the Lodging business unit with further flexibility for growth.

5. PRINCIPAL TERMS OF THE PROPOSED TRANSACTION

5.1 Sale Shares

Subject to the terms and conditions of the SPA, the Vendor shall sell, and CapitaLand shall acquire, all the issued shares in each of the Target Companies (collectively, the "**Sale Shares**") upon completion of the Proposed Transaction under the SPA ("**Completion**"). The Sale Shares shall be sold free from all encumbrances and together with all rights and benefits attaching to them as at Completion.

5.2 Consideration

The Consideration of S\$6,035.9 million was arrived at on a willing-buyer-willing-seller basis, taking into account, the Target Companies' combined enterprise value of S\$10,907.1 million, as well as net debt and minority interest of S\$4,871.2 million.

The adjusted net asset value of the Target Companies is S\$6,035.9 million and takes into account one-month volume weighted average price of the units in the Ascendas Listed Trusts which are owned by the Target Companies and the agreed value of the Target Companies' fund management business.

The Consideration may be adjusted downwards in accordance with the terms of the SPA and more particularly upon the occurrence of certain specified events as set out in the SPA.

The Consideration will be satisfied on Completion in the following manner:

- (a) 50% of the Consideration amounting to S\$3,017.93 million will be paid in cash to the Vendor, which will be financed by debt; and
- (b) 50% of the Consideration amounting to S\$3,017.93 million will be paid via the allotment and issuance of 862,264,714 Consideration Shares to the Vendor and/or its nominee(s) at an issue price of S\$3.50 for each Consideration Share (the "**Consideration Share Price**").

The Consideration Share Price represents the following premiums over the historical traded prices of the ordinary shares of CapitaLand ("**Shares**") over various periods:

Description	Benchmark Price (S\$) ^{(1) (2)}	Premium over Benchmark Price (%) ⁽³⁾
Last traded price per Share on 11 January 2019, being the last trading day before the date of this Announcement (" Last Trading Day ")	3.270	7.03
Volume weighted average price per Share for the one-month period up to and including the Last Trading Day	3.145	11.3

Notes:

- (1) Based on the figures extracted from Bloomberg L.P. as of 11 January 2019.
- (2) Rounded to the nearest three decimal places.
- (3) Rounded to the nearest two decimal places.

On completion of the allotment and the issuance of the Consideration Shares, Temasek's indirect shareholding interest in CapitaLand will increase to approximately 51%.

5.3 Conditions Precedent

Completion of the Proposed Transaction is conditional upon the satisfaction or waiver of, *inter alia*, the following conditions precedent:

- (a) the receipt of approval from the Monetary Authority of Singapore on terms reasonably acceptable to CapitaLand and the Vendor for:
 - (i) CapitaLand and/or its nominee(s) to acquire effective control of:
 - (1) Ascendas Funds Management (S) Limited, the manager of Ascendas Reit;
 - (2) Ascendas Hospitality Fund Management Pte. Ltd., the manager of Ascendas Hospitality Real Estate Investment Trust, which is part of A-HTRUST; and
 - (3) Ascendas Asia Real Estate Fund Management Pte. Ltd.,

(collectively, the "**Licensed Managers**") pursuant to Section 97A of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"); and
 - (ii) the application by each of the Licensed Managers for the change of the shareholding of APL, in accordance with the conditions of their respective capital markets services licenses,

(the "**MAS Approval**");
- (b) the grant of a waiver from the Securities Industry Council ("**SIC**") that the Vendor and its concert parties need not, subject to the fulfilment of the customary conditions to be laid down by the SIC (the "**SIC Conditions**"), make a general offer for the Shares not already held by the Vendor and its concert parties as a result of the Vendor's acquisition of the Consideration Shares (the "**SIC Waiver**") and the fulfilment of the SIC Conditions;
- (c) subject to the SIC Waiver being granted, the passing of the necessary resolutions by the Shareholders other than the Vendor and its concert parties as well as parties not independent of them (the "**Independent Shareholders (Whitewash)**") in a general meeting to waive their right to receive a mandatory take-over offer for the Shares not already held by the Vendor and its concert parties from the Vendor and its concert

parties, as a result of the Vendor's acquisition of the Consideration Shares (the "**Whitewash Resolution**");

- (d) the application for the listing and quotation of the Consideration Shares on the SGX-ST to be filed by CapitaLand with the SGX-ST and the approval-in-principle of the SGX-ST for such application having been obtained on terms reasonably acceptable to the Vendor (the "**Listing Approval**");
- (e) the passing of the necessary resolutions by the Shareholders who are not deemed to have an interest in the acquisition of the Shares under the Listing Manual (and for the avoidance of doubt, exclude the Vendor and its associates) (the "**Independent Shareholders (IPT)**") in a general meeting of CapitaLand to approve:
 - (i) the Proposed Transaction; and
 - (ii) the allotment and issuance of the Consideration Shares;
- (f) the SIC Waiver, the MAS Approval and the Listing Approval remaining in full force and effect as at Completion, and if such approvals are subject to any conditions which are required to be fulfilled on or prior to Completion, such conditions having been so fulfilled;
- (g) as at Completion, the allotment and issuance of the Consideration Shares, and the Proposed Transaction, not being prohibited by any request, injunction, order, direction, legal restraint, prohibition, statute, order, rule or regulation promulgated after the date of the SPA by any government, government agencies, legislative, executive or regulatory body or authority (including competition authorities) of Singapore or any other relevant jurisdiction or any court or arbitral tribunal of competent jurisdiction; and
- (h) the receipt of approvals from certain agreed regulatory authorities in respect of the Proposed Transaction.

5.4 Completion

Completion shall take place on the last business day of the calendar month after the calendar month in which the last condition precedent (other than those conditions which are to be satisfied subject only to Completion and the condition set out in paragraph 5.3(g) above) has been fulfilled or waived, or such other date as may be agreed between CapitaLand and the Vendor, provided that Completion shall not in any event fall after 30 September 2019, or such other date as may be agreed between CapitaLand and the Vendor.

5.5 Cut-Off Date

If any of the conditions precedent are not fulfilled on or before the first business day falling seven months from the date of the SPA (the "**Cut-Off Date**"), CapitaLand and the Vendor may, in their absolute discretion, terminate the SPA in accordance with the terms therein but in the specific event that the unfulfilled condition precedent on the Cut-Off Date is an outstanding regulatory approval, CapitaLand and the Vendor shall in good faith discuss an extension of the Cut-Off Date by up to two months.

5.6 Other Customary Terms

The SPA contains customary provisions relating to the Proposed Transaction, including representations and warranties, indemnities and pre-Completion covenants and undertakings.

6. **WHITEWASH WAIVER**

The SIC has granted the Vendor a waiver of the requirement for the Vendor to make a general offer for the Shares not held by the Vendor and its concert parties under Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**") as a result of the issuance of the Consideration Shares to the Vendor pursuant to completion of the Proposed Transaction, subject to the following conditions:

- (a) a majority of Independent Shareholders (Whitewash) approve at a general meeting, before the issue of the Consideration Shares, by way of poll, the Whitewash Resolution;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the Vendor and its concert parties as well as parties not independent of them abstain from voting on the Whitewash Resolution;
- (d) CapitaLand appoints an independent financial adviser to advise the Independent Shareholders (Whitewash) on the Whitewash Resolution;
- (e) the Vendor and its concert parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which will be disclosed in the circular to be despatched subsequently to Shareholders (the "**Circular**") in connection with the Extraordinary General Meeting ("**EGM**") to be convened to seek the approval of Shareholders for, *inter alia*, the Proposed Transaction and the Whitewash Resolution):
 - (i) during the period between the first announcement of the Proposed Transaction (the "**Initial Announcement Date**") and the date the Independent Shareholders (Whitewash)'s approval is obtained for the Whitewash Resolution; and
 - (ii) in the six months prior to the Initial Announcement Date but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of CapitaLand ("**Directors**") in relation to such issue;
- (f) CapitaLand sets out clearly in the Circular:
 - (i) details of the Proposed Transaction and the proposed issue of the Consideration Shares to the Vendor;
 - (ii) the dilution effect to existing holders of voting rights upon the issue of the Consideration Shares to the Vendor;

- (iii) the number and percentage of voting rights in CapitaLand as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Vendor and its concert parties, as at the latest practicable date of the Circular;
- (iv) the number and percentage of voting rights in CapitaLand to be issued to the Vendor upon the issue of the Consideration Shares;
- (v) a specific and prominent reference to the fact that the issue of the Consideration Shares would result in the Vendor and its concert parties holding Shares carrying over 49% of the voting rights of CapitaLand and to the fact that the Vendor and its concert parties will be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer; and
- (vi) a specific and prominent reference to the fact that Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Vendor at the highest price paid by the Vendor and its concert parties for the Shares in the past six months preceding the commencement of the offer;
- (g) the Circular states that the SIC Waiver granted by the SIC to the Vendor is subject to the conditions stated in paragraphs (a) to (f) above;
- (h) the Vendor obtains the SIC's approval in advance for those parts of the Circular that refer to the Whitewash Resolution; and
- (i) to rely on the Whitewash Resolution, approval of the Whitewash Resolution must be obtained within six months from the date of grant of the ruling from the SIC and the acquisition of the Consideration Shares by the Vendor must be completed by 2 October 2019, being nine months from the date of the grant of the ruling from the SIC.

7. NO CHAIN OFFER UNDER THE CODE

Pursuant to consultations with the SIC, the SIC had confirmed on 7 January 2019 that CapitaLand will not be required to make a mandatory general offer for the units in the Ascendas Listed Trusts as a result of the Proposed Transaction.

8. THE PROPOSED TRANSACTION AS AN INTERESTED PERSON TRANSACTION

8.1 Interested Person Transaction

Under Chapter 9 of the Listing Manual, where an entity at risk (as defined in the Listing Manual) proposes to enter into a transaction with an interested person (as defined in the Listing Manual) and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds three per cent. (3%), but is less than five per cent. (5%), of the latest audited consolidated Net Tangible Asset ("**NTA**") of the issuer and its subsidiaries (the "**Issuer Group**"), an immediate announcement of the transaction must be

made, and if the value is equal to or exceeds five per cent. (5%) of the Issuer Group's latest audited consolidated NTA, approval of the shareholders of the issuer must be obtained.

Based on the information provided by Temasek, as at 10 January 2019 (being two business days prior to the date of this Announcement), Temasek has a direct interest in 1,680,704,140 Shares, and a deemed interest (pursuant to Section 4 of the SFA) in 17,316,183 Shares, representing an aggregate of approximately 40.79%¹ of the total number of issued and paid up Shares. Accordingly, under the Listing Manual, Temasek is deemed to be a "controlling shareholder" of CapitaLand as it holds more than 15% of the total number of Shares (excluding treasury shares and subsidiary holdings).

For the purposes of Chapter 9 of the Listing Manual, the Vendor, a subsidiary of Temasek, is considered an "associate" of a "controlling shareholder" and therefore an "interested person" vis-à-vis CapitaLand, which is regarded as an "entity at risk" for these purposes. Accordingly, the Proposed Transaction constitutes an "interested person transaction" under Chapter 9 of the Listing Manual.

8.2 NTA

The latest audited consolidated NTA of CapitaLand and its subsidiaries (the "**Group**") as of 31 December 2017 (the "**FY2017 NTA**") is S\$31,554.5 million². Based on this, five per cent. (5%) of the FY2017 NTA is S\$1,577.7 million.

8.3 Value of the Interested Person Transaction and Shareholders' Approval

The Consideration payable by CapitaLand to the Vendor represents nineteen per cent. (19%) of the FY2017 NTA.

As the value of the Consideration is more than five per cent. (5%) of the FY2017 NTA, the approval of the Independent Shareholders (IPT) will be required for the Proposed Transaction under Rule 906(1) of the Listing Manual.

8.4 Total Value of Interested Person Transactions

For the period commencing on the beginning of the current financial year, being 1 January 2019, and ending on the date of this Announcement:

- (a) other than the Proposed Transaction, no transactions have been entered into between CapitaLand and the Vendor. Accordingly, the total value of all interested person transactions entered into between CapitaLand and the Vendor is approximately S\$6,035.9 million, which represents nineteen per cent. (19%) of the FY2017 NTA; and
- (b) the total value of all interested person transactions entered into by CapitaLand and all interested persons during the course of the current financial year (including the Proposed Transaction) is approximately S\$6,036.0 million, which represents approximately nineteen per cent. (19%) of the FY2017 NTA.

¹ Based on a total of 4,162,813,855 Shares (excluding treasury shares) as at 11 January 2019.

² Restated to take into account the retrospective adjustments arising from adoption of SFRS(I) 15 Revenue from Contracts with Customers.

8.5 Independent Financial Adviser

As required under the Listing Manual, CapitaLand will appoint an independent financial adviser to provide an opinion on whether the Proposed Transaction is (a) on normal commercial terms; and (b) not prejudicial to the interests of CapitaLand and its minority Shareholders, as well as to advise the Independent Shareholders (Whitewash) on the Whitewash Resolution (the "**IFA Opinion**"). The IFA Opinion will be set out in the Circular.

8.6 Opinion of Audit Committee

The Audit Committee of CapitaLand (the "**Audit Committee**"), comprising Mr Chaly Mah Chee Kheong, Tan Sri Amirsham A Aziz, Dr Philip Nalliah Pillai and Mr Gabriel Lim Meng Liang, will form its view as to whether the Proposed Transaction is (a) on normal commercial terms; and (b) not prejudicial to the interests of CapitaLand and its minority Shareholders, upon receipt of the IFA Opinion. The view of the Audit Committee will be set out in the Circular.

9. THE PROPOSED TRANSACTION AS A MAJOR TRANSACTION

Chapter 10 of the Listing Manual governs the continuing listing obligations of issuers in respect of acquisitions and disposals. The relative figures for the Proposed Transaction computed on the bases set out in Rule 1006 of the Listing Manual are set out below:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	N.A. ⁽¹⁾
(b)	The net profits attributable to the Target Companies, compared with the Group's net profits.	31.4% ⁽²⁾
(c)	The aggregate value of the Consideration, compared with CapitaLand's market capitalisation based on the total number of issued Shares (excluding treasury shares).	44.2% ⁽³⁾
(d)	The number of Consideration Shares issued by CapitaLand as consideration for the Proposed Transaction, compared with the number of Shares previously in issue.	20.7% ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	N.A. ⁽⁵⁾

Notes:

(1) Rule 1006(a) of the Listing Manual does not apply to an acquisition of assets.

- (2) Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit before income tax, minority interests and extraordinary items. Based on the unaudited consolidated financial statements of the Group for the nine months ended 30 September 2018, the Group's net profits amounted to S\$2,399.6 million. Based on the management accounts of the Target Companies for the period from 1 October 2017 to 30 September 2018, the net profits attributable to the Target Companies amounts to S\$753.9 million.
- (3) Rule 1006(c) of the Listing Manual was computed based on the sum of the aggregate consideration of S\$6,035.9 million. CapitaLand's market capitalisation is approximately S\$13,654.0 million, calculated based on the total number of 4,162,813,855 Shares (excluding treasury shares) multiplied by the weighted average price of S\$3.28 per Share on 11 January 2019, being the last market day preceding the date of the SPA.
- (4) Rule 1006(d) of the Listing Manual was computed on the basis that 862,264,714 Consideration Shares will be allotted and issued pursuant to the SPA, and based on the total number of 4,162,813,855 Shares (excluding treasury shares) as at 11 January 2019, being the market day preceding the date of the SPA.
- (5) Rule 1006(e) of the Listing Manual is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of assets.

As the relative figures under Rules 1006(b), (c) and (d) of the Listing Manual exceed 20%, the Proposed Transaction constitutes a "major transaction" for the purposes of Chapter 10 of the Listing Manual and is therefore subject to Shareholders' approval.

10. FINANCIAL INFORMATION AND ILLUSTRATIVE FINANCIAL EFFECTS

For illustrative purposes only, the financial effects of the Proposed Transaction on the (a) earnings per Share ("**EPS**") and (b) NTA per Share of the Group, based on (i) the consolidated financial statements of the Group for the financial year ended 31 December 2017, being the most recently completed financial year for which audited financial statements are available as at the date of this Announcement, and (ii) the Target Companies' results that are derived from the management accounts for the period 1 October 2017 to 30 September 2018 are set out below.

10.1 EPS

The pro forma financial effects on the consolidated EPS of the Group, assuming the Proposed Transaction had been effected on 1 January 2017, are as follows:

	Before the Proposed Transaction	After the Proposed Transaction and the allotment and issuance of Consideration Shares
EPS (Singapore cents) ⁽³⁾⁽⁴⁾	37.0	37.4

³ Based on a weighted average number of Shares as at 31 December 2017 of 4,245,628,632 Shares.

10.2 NTA per Share

The pro forma financial effects on the consolidated NTA per Share of the Group as at 31 December 2017, assuming the Proposed Transaction had been effected on 31 December 2017, are as follows:

	Before the Proposed Transaction	After the Proposed Transaction and the allotment and issuance of Consideration Shares
NTA per Share (S\$) ⁽⁴⁾⁽⁵⁾	4.20	3.88

11. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

11.1 Directors' Interests

Mr Lee Ching Yen Stephen ("**Mr Stephen Lee**"), a non-executive independent director of CapitaLand, is also a director of Temasek.

Save for Mr Stephen Lee and save for any Shares or units in the Ascendas Listed Trusts which the Directors may hold, none of the Directors have any interest, direct or indirect, in the Proposed Transaction.

11.2 Interests of Controlling Shareholder

As stated in paragraph 8.1 above, based on the information provided by Temasek, as at 10 January 2019 (being two business days prior to the date of this Announcement), Temasek has a direct interest in 1,680,704,140 Shares, and a deemed interest (pursuant to Section 4 of the SFA) in 17,316,183 Shares, representing an aggregate of approximately 40.79%⁶ of the total number of issued and paid up Shares. Accordingly, under the Listing Manual, Temasek is deemed to be a "controlling shareholder" of CapitaLand as it holds more than 15% of the total number of Shares (excluding treasury shares and subsidiary holdings).

11.3 Abstention

Mr Stephen Lee has recused himself from the deliberations by the board of Directors of CapitaLand ("**Board**") leading to the decision by the Board to approve the Proposed Transaction.

Temasek and Mr Stephen Lee will abstain, and will undertake to ensure that its/his associates (as defined in the Listing Manual) will abstain, from voting on the resolution to be proposed at the EGM to approve the Proposed Transaction, and the grant of authority to the Directors to allot and issue the Consideration Shares. Temasek and Mr Stephen Lee will abstain, and will undertake to ensure that parties acting in concert with them and parties not independent of them will abstain, from voting on the Whitewash Resolution. Temasek and Mr Stephen Lee will also decline to

⁴ NTA and EPS have been restated to take into account the retrospective adjustments arising from the adoption of SFRS(I) 15 Revenue from Contracts with Customers.

⁵ Based on a total number of 4,247,292,358 Shares in issue as at 31 December 2017 (excluding treasury shares).

⁶ Based on a total of 4,162,813,855 Shares (excluding treasury shares) as at 11 January 2019.

accept appointment as proxy for any Shareholder to vote in respect of any resolutions, unless the Shareholder concerned shall have given instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of the resolutions.

12. NO DIRECTORS' SERVICE CONTRACTS

No director's service contract is proposed to be entered into by CapitaLand with any person in connection with the Proposed Transaction.

13. SGX-ST LISTING APPROVAL

An application will be submitted by CapitaLand to the SGX-ST to seek the Listing Approval. An appropriate announcement on the outcome of such application will be made by CapitaLand in due course.

Subject to receipt of the Listing Approval and compliance with such conditions (if any) imposed by the SGX-ST in connection therewith, the Consideration Shares shall, following allotment and issue on the terms and subject to the conditions of the SPA, be listed and quoted on the Mainboard of the SGX-ST.

14. EXTRAORDINARY GENERAL MEETING AND CIRCULAR TO SHAREHOLDERS

The Board will be convening an EGM to seek the approval of the Shareholders for the Proposed Transaction, the allotment and issuance of the Consideration Shares and the Whitewash Resolution. The Circular, setting out further information on the foregoing, together with a notice of the EGM to be convened, will be despatched to the Shareholders in due course.

15. DOCUMENT FOR INSPECTION

A copy of the SPA is available for inspection by the Shareholders during normal business hours at the registered office of CapitaLand at 168 Robinson Road #30-01 Capital Tower Singapore 068912 for a period of three months from the date of this Announcement.

By Order of the Board

Michelle Koh
Company Secretary
14 January 2019