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# CAPITAMALLS ASIA LIMITED

**凱德商用產業有限公司***

(Singapore Company Registration Number: 200413169H)
(Incorporated in the Republic of Singapore with limited liability)

**(Hong Kong Stock Code: 6813)**
**(Singapore Stock Code: JS8)**

## ANNOUNCEMENT

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## CAPITALAND, CAPITAMALLS ASIA AND SINGBRIDGE AWARDED PRIME SITE FOR LANDMARK MIXED DEVELOPMENT IN CHONGQING

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### 1. INTRODUCTION

**CMA** is pleased to announce that the **Joint Tender** by **CapitaLand**, **CMA** and **Singbridge** for the **Chao Tian Men Site** has been accepted by the **Chongqing Government**.

The **Chao Tian Men Site** was awarded at the **Tender Price** of **RMB**6,536.0 million (approximately **S$**1,282.8 million / **HK$**8,017.7 million[1]). The site has a land area of approximately 91,783 **sq m**, with a total gross floor area of about 817,000 **sq m**. **CapitaLand**, **CMA** and **Singbridge** intend to develop the **Chao Tian Men Site** into a landmark mixed development designed by renowned architect Moshe Safdie, which will include a shopping mall and eight towers for residential, office and hotel/serviced residence use.

The **Chao Tian Men Site** is strategically located in the heart of Yuzhong District in Chongqing, China at the strategic gateway to Chongqing at Chao Tian Men

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[1] Based on exchange rates of **RMB**1: **S$**0.19626 and **RMB**1: **HK$**1.226702.

* *For identification purposes only*

with frontage along two important rivers, Yangtze River and Jialing River, and is considered the crown jewel of Chongqing. The site is also located next to the traditional central business district of Jiefangbei, which is known for its broad pedestrian streets lined with shopping malls, department stores, office buildings and hotels.

## 2. JOINT VENTURE WITH CAPITALAND AND SINGBRIDGE

### 2.1 Structure of the Joint Venture

The joint bid of the subsidiaries of **CMA**, **CapitaLand** and **Singbridge** was made through **Bidder** (a special purpose vehicle incorporated in Singapore by the **SPT Trustee** and held on trust for the **CTM Property Trust**).

The interests of **CMA**, **CapitaLand**, **Singbridge** and **RCHL** in the **CTM Property Trust** and their respective share of the **Committed Funding** in the **Joint Venture** are set out as follows:-

| **Interests in CTM Property Trust** | | |
|---|---|---|
| **Name of Party** | **Percentage (%)** | **Share of Committed Funding** |
| **CMA**<br>(through its wholly-owned subsidiary, **CMA China III**) | 25 | S$280.0 million |
| **CapitaLand**<br>(through its wholly-owned subsidiary, **CGPL)** | 25 | S$280.0 million |
| **RCHL**<br>(a company owned by **CGPL** (50%) and **CMA China III** (50%)) | 12.5 | S$140.0 million |
| **Singbridge**<br>(through its wholly-owned subsidiaries, **SCTM9** (as to 25%) and **SCTM1** (as to 12.5%)) | 37.5 | S$420.0 million |
| **Total** | 100.0 | S$1,120.0 million |

Funding for the **Project** beyond the **Committed Funding** shall be undertaken or procured by the **Bidder** and/or the **Project Company** by way of non-recourse debt financing and/or other sources of funding.

It is intended that **CTM Property Trust** will have an interest of 80% in the **Project**, and a 20% stake will be held by unrelated parties. As the **CTM Property Trust** has an interest of 80% in the Project, CMA's effective interest in the Project is 25%.

CMA Trustee 1 Pte. Ltd., a wholly-owned subsidiary of **CMA**, is the trustee of the **CTM Property Trust** and CapitaMalls China Fund Management Pte. Ltd., a wholly-owned subsidiary of **CMA**, is the manager of the **CTM Property Trust**.

**CMA China III**, **CGPL**, **SCTM9**, **SCTM1** and **RCHL** have entered into the **Heads of Agreement** to regulate their rights and obligations in connection with, *inter alia*, the development of the **Chao Tian Men Site.** The **Heads of Agreement** sets out, among other things, certain terms and conditions to be included in the **Joint Venture Agreement**, including the following key terms:-

(a) each of **CMA China III**, **CGPL, SCTM9, SCTM1** and **RCHL** shall contribute to the costs and expenses in relation to the submission of the **Joint Tender** in their respective **Agreed Proportion**; and

(b) distributions from the **CTM Property Trust** shall be to **CMA China III**, **CGPL, SCTM9, SCTM1** and **RCHL** in proportion to their respective **Agreed Proportion.**

It is intended that (a) a joint venture company between an affiliate of **CMA** and an affiliate of **CapitaLand** will be appointed as the project development manager for the **Project**, (b) an affiliate of **CMA** shall be appointed as the property manager for the retail component of the **Project** and (c) affiliates of **CapitaLand** shall be appointed as the property manager for the office, serviced residence and residential components of the **Project.**

2.2 Rationale for the Joint Venture

As the **Chao Tian Men Site** is to be developed into a mixed use development, the **Joint Venture** parties would benefit from their combined financial resources as well as the combined expertise and experience of **CMA** and **CapitaLand** in the development and management of integrated developments, including shopping malls, offices and serviced residence, and in the development and sale of residences.

2.3 Documents to be executed

In accordance with the **Tender Terms and Conditions**, the **Bidder** will be required to enter into a land use right contract in respect of the **Chao Tian Men Site.**

2.4 Interested Person Transactions

**CapitaLand** holds a total interest of approximately 65.48% of the total number of **Shares** in issue and is therefore regarded as a "controlling **Shareholder**" of **CMA** under the **Listing Manual**. **CGPL** is a wholly-owned subsidiary of **CapitaLand**. Accordingly (for the purposes of the **Listing Manual**), **CGPL** is regarded as an "associate" of **CapitaLand** and therefore an "interested person" of **CMA**.

In addition, **RCHL** is 50% held by **CGPL**, which is itself a wholly-owned subsidiary of **CapitaLand**. **Temasek**, an Asia investment company has, as at the date of this announcement, an interest (direct and deemed) in approximately 40.41% of the existing shares in **CapitaLand**). Accordingly (for the purposes of the **Listing Manual**), **RCHL** is regarded as an "associate" of **CapitaLand** as well as **Temasek** and therefore an "interested person" of **CMA.** The **Joint Venture** is therefore an "interested person transaction" for **CMA** with respect to **CapitaLand** and **Temasek** under Chapter 9 of the **Listing Manual.**

**SCTM9** and **SCTM1** are wholly-owned subsidiaries of **Singbridge**, which in turn is a wholly owned subsidiary of **Temasek**, which is, as at the date of this announcement, deemed to have an interest in approximately 65.50% of the total number of **Shares** in issue and is therefore regarded as a "controlling **Shareholder**" of **CMA** under the **Listing Manual**. Accordingly (for the purposes of the **Listing Manual**), **SCTM9** and **SCTM1** are regarded as "associates" of **Temasek** and therefore "interested persons" of **CMA**. The **Joint Venture** is therefore an "interested person transaction" for **CMA** with respect to **Temasek** under Chapter 9 of the **Listing Manual**.

**CMA China III** has also entered into the **Reknown SHA** with **CGPL** to regulate their relationship as shareholders of **RCHL**. The **Reknown SHA** is an "interested person transaction" for **CMA** with respect to **CapitaLand** under Chapter 9 of the **Listing Manual.**

## 3. METHOD OF FINANCING AND FINANCIAL EFFECTS

**CMA** intends to finance the **Acquisition** by internal funds and external borrowings.

Based on the latest announced unaudited financial information of the **CMA Group** as at 30 September 2011, the relative figures in relation to the **Acquisition** computed on the bases set out in Rule 1006 of the **Listing Manual** are as follows:-

| | **As at 30 September 2011** |
|---|---|
| **Bases under Rule 1006** | |
| **Rule 1006(a)** | |
| Net asset value of the assets to be disposed of, compared with the group's net asset value | Not applicable as there is no disposal of assets |
| **Rule 1006(b)** | |
| Net profits attributable to the **Acquisition**, compared with the net profits of the **CMA Group** | Not applicable as **Chao Tian Men Site** is a greenfield site |
| **Rule 1006(c)** | |
| Aggregate value of the consideration for the **Acquisition** | **RMB**1,783.3 million[1] (approximately **S$**350.0 million)[2] |
| Market capitalisation of **CMA** as at 25 November 2011 (being the market day immediately preceding the date of the **Joint Tender**) | **S$**4,914.6 million |
| Size of relative figure | 7.12% |
| **Rule 1006(d)** | |
| Number of equity securities to be issued by **CMA** as consideration for the **Acquisition** compared with the number of equity securities previously in issue | Not Applicable |

Based on the audited consolidated financial statements of **CMA Group** for the financial year ended 31 December 2010:-

(a) assuming that the **Acquisition** had been effected on 1 January 2010, the financial impact on the earnings per **Share** is not material; and

[2] Based on **CMA**'s share of the **Committed Funding** for the **Joint Venture**.

(b) assuming that the **Acquisition** had been effected on 31 December 2010, the financial impact on the net tangible asset per **Share** is not material.

## 4. AUDIT COMMITTEE STATEMENT

The audit committee of **CMA** is of the view that the risks and rewards of the **Joint Venture** are in proportion to the equity interests of **CMA**, **CapitaLand, Singbridge** and **RCHL** in the **Bidder** and the terms of the **Joint Venture** are not prejudicial to the interests of **CMA** and its minority **Shareholders**.

Further, the audit committee of **CMA** is of the view that the risks and rewards of the **Reknown SHA** are in proportion to the equity interests of **CMA** and **CapitaLand** in **RCHL** and the terms of the **Reknown SHA** are not prejudicial to the interests of **CMA** and its minority **Shareholders**.

## 5. OTHER INTERESTED PERSON TRANSACTIONS

As at the date of this announcement, the aggregate value of all interested person transactions of **CMA** with **CapitaLand** for the period from 1 January 2011 to the date of this announcement (including the entry into the **Joint Venture** and the **Reknown SHA**) is approximately **S$**1,166.2 million[3]. All of these interested person transactions are entered into by **CMA** with **CapitaLand** and/or the associates of **CapitaLand** (including **RCHL**).

As at the date of this announcement, the aggregate value of all interested person transactions of **CMA** with **Temasek** and/or its associates (excluding **CapitaLand**) for the period from 1 January 2011 to the date of this announcement (including the entry into the **Joint Venture**) is approximately S$350.5 million[4]. All of these interested person transactions are entered into by **CMA** with **Temasek** and/or the unlisted associates of **Temasek**.

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[3] Excluding transactions less than S$100,000 but including CMA's interest of approximately S$782.5 million in the joint venture between **CMA** and **CapitaLand** in relation to the Jurong Gateway Site, for which shareholders' approval was not required pursuant Rule 916(2) of the Listing Manual ("Exempted Transaction"). Please refer to CMA's announcement on 30 May 2011 for more details on that joint venture. The aggregate value of all interested person transactions with the **CapitaLand** Group excluding transactions less than S$100,000 and excluding Exempted Transactions is S$33.7 million, which represents approximately 0.6% of **CMA** Group's latest audited net tangible assets as at 31 December 2010.

[4] The aggregate value of all interested person transactions of **CMA** with **Temasek** and/or its associates (excluding **CapitaLand**), excluding transactions less than S$100,000 which represents approximately 0.008% of **CMA** Group's latest audited net tangible assets as at 31 December 2010.

As at the date of this announcement, the aggregate value of all interested person transactions of **CMA** for the period from 1 January 2011 to the date of this announcement is approximately S$1,166.7 million.

## 6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER

As at the date of this announcement, certain directors of **CMA** collectively hold an aggregate direct and indirect interest in 2,670,690 **Shares** and 5,723,222 shares in **CapitaLand**.

Mr Liew Mun Leong is the non-executive chairman and a non-executive director of **CMA**, and the president, chief executive officer and executive director of **CapitaLand**. Mr Lim Beng Chee is the chief executive officer and executive director of **CMA**. Ms Chua Kheng Yeng Jennie is a non-executive director of **CMA** and the chief corporate officer of **CapitaLand**. Mr Lim Tse Ghow Olivier is a non-executive director of **CMA** and the head of strategic corporate development of **CapitaLand**. Mrs Arfat Selvam is a non-executive independent director of **CMA** and a non-executive independent director of **CapitaLand**.

As at the date of this announcement, **CapitaLand** has a total interest of approximately 65.48% of the existing **Shares**.

**Temasek**:-

(a) is deemed to have an interest in approximately 65.50% of the existing **Shares**; and

(b) has an interest (direct and deemed) in approximately 40.41% of the existing shares in **CapitaLand**.

Save as disclosed in this announcement, and based on information available to **CMA** as at the date of this announcement, none of the directors or controlling **Shareholder** of **CMA** have an interest, direct or indirect, in the **Joint Venture** or the **Reknown SHA**.

***Definitions:***

| | |
|---|---|
| **Acquisition** | **CMA**'s acquisition of its effective 31.25% share in the **CTM Property Trust** |
| **Agreed Proportion** | The proportion that the participation interest of each unitholder in the **CTM Property Trust** bears to the total participation interest of all the unitholders in the **CTM Property Trust**, as set out against the party's name on page 2 of this announcement |
| **Bidder** | CMA China Investment 1 Pte. Ltd. |
| **CapitaLand** | CapitaLand Limited |
| **CGPL** | Casuarina Group Pte. Ltd. |
| **Chao Tian Men Site** or **Property** | The whole of the parcel of land in the **PRC** at Chao Tian Men, Yuzhong District, Chongqing known as 渝中区渝中组团 D 分区 4-1/02 号 (Yuzhong District Area D No. 4-1/02) |
| **Chongqing Government** | The Chongqing Yuzhong District Government of the **PRC** |
| **CMA** | CapitaMalls Asia Limited |
| **CMA China III** | CMA China III Pte. Ltd. |
| **CMA Group** | **CMA** and its subsidiaries |
| **Committed Funding** | The aggregate amount committed by the **Joint Venture** parties in the **Joint Venture**, being **S$**1,120.0 million, which is equivalent to 80% of the **Tender Price** and land-related and other costs |
| **CTM Property Trust** | An unlisted special purpose trust constituted by a deed of trust dated 28 November 2011 between **CMA China III**, **CGPL**, **RCHL**, **SCTM1**, **SCTM9**, **SPT Trustee** and **SPT Manager** |
| **Heads of Agreement** | The heads of agreement dated 28 November 2011 entered into between **CMA China III**, **CGPL**, **RCHL**, **SCTM1** and **SCTM9** |
| **Joint Tender** | The joint tender by **CMA**, **CapitaLand** and **Singbridge** for the **Chao Tian Men Site** |

| | |
|---|---|
| **Joint Venture** | The joint venture between the subsidiaries of **CMA**, **CapitaLand** and **Singbridge** for the acquisition and development of the **Chao Tian Men Site** |
| **Joint Venture Agreement** | The joint venture agreement to be entered into between **CMA China III**, **CGPL**, **RCHL**, **SCTM1** and **SCTM9** |
| **Listing Manual** | The Listing Manual of the Singapore Exchange Securities Trading Limited |
| **Project** | The project for the construction and completion of a mixed development at the **Chao Tian Men Site** including retail, residential, office and hotel/serviced apartment components |
| **Project Company** | A subsidiary of the **Bidder** to be incorporated in the **PRC** to undertake the **Project** |
| **PRC** | The People's Republic of China |
| **RCHL** | Reknown City Holdings Limited, a company incorporated in the British Virgin Islands previously wholly-owned by **CMA China III** and following the subscription by **CGPL** for 45 shares in **RCHL** on the date of this announcement, held as to 50% by **CGPL** and 50% by **CMA China III** as at the date of this announcement |
| **Reknown SHA** | The shareholders' agreement dated 28 November 2011 between **CMA China III** and **CGPL** |
| **SCTM1** | Singbridge CTM1 Pte. Ltd. |
| **SCTM9** | Singbridge CTM9 Pte. Ltd. |
| **Share** | Ordinary shares in the capital of **CMA** |
| **Shareholder** | A holder of **Shares** |
| **Singbridge** | Singbridge Holdings Pte. Ltd. |
| **SPT Manager** | CapitaMalls China Fund Management Pte. Ltd., a wholly-owned subsidiary of **CMA**, being the manager of the **CTM Property Trust** |
| **SPT Trustee** | CMA Trustee 1 Pte. Ltd., a wholly-owned subsidiary of **CMA**, being the trustee of the **CTM Property Trust** |
| **sq m** | Square metre |

| | |
|---|---|
| **Temasek** | Temasek Holdings (Private) Limited |
| **Tender Price** | The tender price of **RMB**6,536.0 million submitted to the **Chongqing Government** by the **Bidder** |
| **Tender Terms and Conditions** | Terms and conditions for the tender of the **Property** provided by the **Chongqing Government** |
| <u>**Currencies**</u> | |
| **HK$** | Hong Kong dollars |
| **RMB** | Renminbi |
| **S$** | Singapore dollars |

*Where applicable, figures and percentages are rounded to one decimal place.*

BY ORDER OF THE BOARD
**CapitaMalls Asia Limited**
**Kannan Malini**
Company Secretary

Singapore, 29 November 2011

*As at the date of this announcement, the board of directors of the Company comprises Mr Liew Mun Leong (Chairman and non-executive director), Mr Lim Beng Chee as the executive director; Ms Chua Kheng Yeng Jennie and Mr Lim Tse Ghow Olivier as non-executive directors; and Mr Sunil Tissa Amarasuriya, Tan Sri Amirsham A Aziz, Dr Loo Choon Yong, Mrs Arfat Pannir Selvam, Professor Tan Kong Yam and Mr Yap Chee Keong as independent non-executive directors.*