



CAPITALAND LIMITED

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

ANNOUNCEMENT

PROPOSED DIVESTMENT OF STAKES IN COMPANIES HOLDING 20 RETAIL MALLS IN CHINA

CapitaLand Limited ("**CapitaLand**") wishes to announce that it has, through its subsidiaries and associates (the "**Vendors**"), entered into definitive agreements (the "**Definitive Agreements**") with unrelated entities (the "**Purchasers**") to divest its effective equity interest in certain companies (the "**Divestment Companies**") which hold retail malls in China. Details of the Divestment Companies, including the property held by each of such Divestment Companies, are set out in Appendix 1 of this announcement (the "**Divestment**").

The aggregate consideration payable by the Purchasers for the Divestment (on a 100% basis) is US\$881.1 million (approximately S\$1,185.9 million) (the "**Equity Consideration**"), based on the adjusted aggregate net asset value of the Divestment Companies negotiated on a willing-buyer and willing-seller basis, taking into account the agreed value of the retail malls of RMB 8,365.0 million (approximately S\$1,705.9 million). The Equity Consideration is subject to post-completion adjustments.

In addition to the Equity Consideration, the Purchasers will pay a sum of US\$220.4 million (approximately S\$296.6 million) ("**Shareholder Loans Amount**") being the aggregate amount of outstanding shareholder loans owed by the Divestment Companies to the Vendors. These shareholder loans will be novated to the Purchasers.

Subject to the fulfilment of certain conditions precedent set out in the Definitive Agreements, the Divestment is expected to be completed in the second quarter of 2018 ("**Completion**"). The Equity Consideration and the Shareholder Loans Amount, being the aggregate sum of US\$1,101.5 million (approximately S\$1,482.5 million), will be satisfied fully in cash on or following Completion upon, *inter alia*, the payment of applicable stamp duties and receipt of relevant regulatory approvals.

Upon Completion, the Divestment Companies will cease to be subsidiaries or associates of CapitaLand. Based on CapitaLand's effective equity interest in the Divestment Companies, CapitaLand is expected to recognise a net gain of approximately S\$75.0 million and receive net proceeds of approximately S\$660.0 million.

The Divestment is consistent with CapitaLand's strategy to focus in core city clusters in China, with a view to re-invest the proceeds from the Divestment to acquire dominant assets located in these core city clusters.

For illustrative purpose only, based on the unaudited consolidated financial statements of the CapitaLand Group for the nine months ended 30 September 2017:

- (a) assuming the Divestment was effected on 1 January 2017, CapitaLand's earnings per share would have increased from 30.2 Singapore cents to 31.4 Singapore cents; and
- (b) assuming the Divestment was effected on 30 September 2017, the financial impact on CapitaLand Group's net tangible assets per share would not be material.

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

By Order of the Board

Michelle Koh
Company Secretary
5 January 2018

Appendix 1 – List of Divestment Companies

S/N	Divestment Companies	Relevant Properties	City	CapitaLand's Effective Interest (%)
1	CapitaMalls Anyang Commercial Property Co., Ltd.	CapitaMall Beiguan	Anyang	45.0
2	CapitaMalls Nanchang Commercial Property Co., Ltd.	CapitaMall Chengnanyuan	Nanchang	45.0
3	(1) Reach All Limited (2) CapitaRetail Beijing XinXing Real Estate Co., Ltd.	CapitaMall Cuiwei	Beijing	45.0
4	CapitaMalls Deyang Real Estate Co., Ltd.	CapitaMall Deyang	Deyang	45.0
5	CapitaMalls Dongguan Commercial Property Co., Ltd.	CapitaMall Dongguan	Dongguan	45.0
6	CapitaMalls Foshan City Nanhai Commercial Property Co., Ltd.	CapitaMall Guicheng	Foshan	73.1
7	(1) Farsighted International Limited (2) Zhengzhou Yaokai Infrastructure Management Limited	CapitaMall Jinshui	Zhengzhou	30.0
8	CapitaMalls Chongqing Investment Co., Ltd.	CapitaMall Jiulongpo	Chongqing	73.1
9	CapitaMalls Maoming City Commercial Property Co., Ltd.	CapitaMall Maoming	Maoming	73.1
10	CapitaMalls Yibin Commercial Property Co., Ltd.	CapitaMall Nan'an	Yibin	45.0
11	CapitaMalls Quanzhou Commercial Property Co., Ltd.	CapitaMall Quanzhou	Quanzhou	45.0
12	(1) CapitaRetail China Developments CW (HK) Limited (2) CapitaRetail Chongqing Shaping Consulting & Management Co., Ltd.	CapitaMall Shapingba	Chongqing	30.0
13	(1) CapitaRetail China Investments N3 (HK) Limited (2) CapitaRetail Chengdu Fuqin Real Estate Co. Ltd.	CapitaMall Shawan	Chengdu	30.0
14	CapitaMalls Yiyang Commercial Property Co., Ltd.	CapitaMall Taohualun	Yiyang	45.0
15	CapitaMalls Weifang Real Estate Co., Ltd.	CapitaMall Weifang	Weifang	45.0
16	CapitaMalls Yangzhou Real Estate Co., Ltd.	CapitaMall Yangzhou	Yangzhou	45.0
17	CapitaMalls Zhangzhou Commercial Property Co., Ltd.	CapitaMall Zhangzhou	Zhangzhou	73.1
18	CapitaMalls Zhanjiang City Commercial Property Co., Ltd.	CapitaMall Zhanjiang	Zhanjiang	45.0
19	CapitaMalls Zhaoqing City Commercial Property Co., Ltd.	CapitaMall Zhaoqing	Zhaoqing	45.0
20	CapitaMalls Zibo Commercial Property Co., Ltd.	CapitaMall Zibo	Zibo	45.0