



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

ANNOUNCEMENT

DIVESTMENT OF 89.8% INTEREST IN MAC PROPERTY COMPANY B.V. AND MAC CAR PARK COMPANY B.V.

CapitaLand Limited ("**CapitaLand**") wishes to announce the divestment of 89.8% out of the 94.9% interest it holds in each of MAC Property Company B.V. and MAC Car Park Company B.V. (the "**Property Holding Entities**") (the "**Transaction**") to CapitaLand Commercial Trust ("**CCT**") for a total cash consideration of EUR142.8 million (approximately SGD219.8 million) (the "**Consideration**"). The Property Holding Entities hold a multi-tenanted office building known as "Main Airport Center" located at Frankfurt, Germany (the "**Property**").

In connection with the Transaction, CLI MAC (Netherlands) B.V. ("**CLI MAC**") and CLI CP (Netherlands) B.V. ("**CLI CP**"), which are the holding companies of the Property Holding Entities (the "**Vendors**"), have entered into a conditional share sale and purchase agreement with CCT's subsidiary, CCT Mercury One Pte. Ltd. (the "**Purchaser**"). CLI MAC and CLI CP are CapitaLand's subsidiary and associated company, respectively.

CapitaLand has an interest of approximately 30.14% in CCT.

RATIONALE

The Transaction allows CapitaLand to realise the value of the assets held by the Property Holding Entities and unlock capital for reinvestment. Through its interest in CCT, CapitaLand will continue to benefit from the stable yield of CCT's portfolio of assets and participate in future growth.

CONSIDERATION

The Consideration, which was arrived at on a willing-buyer willing-seller basis, taking into account the agreed value of the Property at EUR265 million (approximately SGD407.8 million), comprises:

- (a) EUR126.2 million (approximately SGD194.2 million) representing 89.8% of the adjusted aggregate net asset value of the Property Holding Entities as at 31 March 2019; and
- (b) EUR16.6 million (approximately SGD25.6 million) representing 94.9% of the outstanding shareholders' loans owing by the Property Holding Entities to the Vendors as at 31 March 2019.

The Consideration is subject to adjustments to be determined on Completion (as defined below).

COMPLETION AND CONDITIONS PRECEDENT

Completion of the Transaction is subject to, among other things, the approval of the independent unitholders of CCT at an extraordinary general meeting of CCT. Subject to the fulfilment of the conditions precedent for the Transaction, the Transaction is expected to complete in the third quarter of 2019 (“**Completion**”).

Upon Completion, the Purchaser and CLI MAC will hold 94.9% and 5.1% interest, respectively, in the Property Holding Entities. The Property Holding Entities will cease to be a subsidiary and an associated company (as the case may be) of CapitaLand. CapitaLand will continue to have an interest in the Property Holding Entities through its (a) remaining 5.1% interest in each of the Property Holding Entities and (b) interest in CCT.

FINANCIAL EFFECTS

Upon Completion, CapitaLand is expected to recognise a net gain of approximately EUR13.4 million (approximately SGD20.6 million). Based on the unaudited consolidated financial statements of CapitaLand Group for the three months ended 31 March 2019:

- (a) assuming that the Transaction was effected on 1 January 2019, CapitaLand’s earnings per share would have increased from 7.1 cents to 7.5 cents; and
- (b) assuming that the Transaction was effected on 31 March 2019, the financial impact on CapitaLand Group’s net tangible asset per share would not be material.

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Certain directors of CapitaLand collectively have an interest (direct and indirect) in 1,594,047 shares in CapitaLand and 13,529 units in CCT.

Temasek Holdings (Private) Limited, the controlling shareholder of CapitaLand, has an interest (direct and indirect) of approximately 50.94% in CapitaLand as of 28 June 2019.

Mr Lee Chee Koon, an Executive Non-Independent Director of CapitaLand, is also a Non-Executive Non-Independent Director of CapitaLand Commercial Trust Management Limited, a wholly owned subsidiary of CapitaLand which is the manager of CCT.

Save as disclosed above, none of the directors or the controlling shareholder of CapitaLand has any interest, direct or indirect, in the Transaction.

By Order of the Board

Michelle Koh
Company Secretary
17 July 2019