



CAPITALAND LIMITED

Regn No.: 198900036N
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT

ESTABLISHMENT OF JOINT VENTURE FOR ACQUISITION AND DEVELOPMENT OF A2 ISLAND IN DANGA BAY

Further to its announcement on 19 February 2013, CapitaLand Limited ("**CapitaLand**") wishes to announce that it, Iskandar Waterfront Sdn. Bhd. ("**IWSB**") and Temasek Holdings (Private) Limited ("**Temasek**") have entered into a joint venture in the proportionate shareholdings of 51:40:9 respectively in Hallmark Connection Sdn Bhd ("**HCSB**"). The joint venture will acquire and develop parcels of land in Danga Bay ("**A2 Island**"), located in one of the five flagship zones in Johor's Iskandar Malaysia.

The subscription and shareholders agreement for the joint venture ("**SSA**") was entered into between CapitaLand's wholly-owned subsidiary, CLM Isle Investment Pte. Ltd. ("**CII**"), IWSB and Temasek's wholly-owned subsidiary, Esta Investments Pte. Ltd. ("**EIPL**"). IWSB is a party unrelated to CapitaLand and also the vendor of A2 Island.

HCSB was previously a wholly-owned subsidiary of CII and had an issued share capital of RM2 comprising two ordinary shares of RM1 each. Pursuant to the SSA, CII, IWSB and EIPL (the "**Shareholders**") had respectively subscribed for and been issued 49, 40 and 9 new ordinary shares of RM1 each in HCSB for cash at par.

Under the SSA, the Shareholders have, among other things, agreed that:

- (a) the acquisition and development of A2 Island will be financed by a combination of equity, external financing and sales proceeds from the sale of properties to be developed on A2 Island;
- (b) the Shareholders will contribute an aggregate of up to RM1.05 billion (approximately S\$404 million) in equity (the "**Committed Capital**"). CII's 51% share works out to RM535.5 million (approximately S\$206 million); and
- (c) the Committed Capital will be drawn down progressively from the Shareholders on a proportionate basis based on the financial requirements of HCSB. Contributions of the Committed Capital will be by way of subscription for new ordinary shares and/or preference shares to be issued by HCSB.

The entry into the SSA is not expected to have any material impact on the net tangible assets or earnings per share of the CapitaLand Group for the financial year ending 31 December 2014.

As recorded in CapitaLand's Register of Substantial Shareholders as at the date of this announcement, Temasek has an interest of approximately 40.92% in CapitaLand and is regarded as a "Controlling Shareholder" of CapitaLand under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"). The entry into the SSA is therefore an "interested person transaction" for CapitaLand under Chapter 9 of the Listing Manual.

As at the date of this announcement, the aggregate value of all interested person transactions of CapitaLand with Temasek and/or its associates for the period from 1 January 2014 to the date of this announcement (including the entry into the SSA), is less than 3% of CapitaLand Group's latest audited net tangible assets as at 31 December 2012.

Save as disclosed above, none of the Directors or the controlling shareholder of CapitaLand has any interest, direct or indirect, in the entry of the SSA.

By Order of the Board

Ng Chooi Peng
Company Secretary
22 January 2014