



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

ANNOUNCEMENT

ACQUISITION OF A PORTFOLIO OF 16 FREEHOLD MULTIFAMILY PROPERTIES IN THE UNITED STATES OF AMERICA

1. ACQUISITION

CapitaLand Limited (“**CapitaLand**”) wishes to announce that it has, through various wholly owned subsidiaries, entered into sale and purchase agreements with third parties unrelated to CapitaLand to acquire (the “**Acquisition**”) a portfolio of 16 freehold multifamily properties (the “**Properties**” or the “**Portfolio**”) in the United States of America (“**U.S.**”) for an aggregate consideration of USD835 million (approximately SGD1.14 billion) (the “**Consideration**”).

CapitaLand’s total cost of the Acquisition is estimated to be approximately USD845 million (approximately SGD1.16 billion) comprising:

- (a) the Consideration; and
- (b) the estimated transaction and related expenses of approximately USD10 million (approximately SGD14 million) incurred or to be incurred in connection with the Acquisition.

Particulars of the Properties are set out in the attached Appendix.

2. RATIONALE

The Acquisition is in line with CapitaLand’s strategy to diversify its portfolio outside of Singapore and China to developed markets and to grow new businesses. The multifamily sector in the U.S. is a broad and scalable sector, and one of the more resilient and highly liquid institutional real estate asset classes. It is a growth sector marked with long term secular trends.

The Portfolio comprises 3,787 apartment units, providing CapitaLand with an immediate sizeable portfolio for building a platform in the U.S. The Portfolio is well-diversified with the Properties located in the high growth markets of major U.S. metropolitan areas, allowing CapitaLand to enter several regional growth markets in the U.S. in one single acquisition. The Acquisition also offers the opportunity for a full value-add programme, allowing CapitaLand to further enhance the value of these Properties.

3. PRINCIPAL TERMS

3.1 Consideration

The Consideration was arrived at on a willing-buyer and willing-seller basis, taking into account, amongst other factors, the aggregate appraised value of the Portfolio at USD845 million (approximately SGD1.16 billion) based on a valuation commissioned by CapitaLand and conducted by CBRE, Inc. on 10 September 2018 using the income capitalisation and sales comparison approaches.

The Consideration, funded by CapitaLand's internal resources, will be fully satisfied in cash on completion ("**Completion**"), subject to adjustments for, *inter alia*, rent, tax and other operating expenses as at Completion.

3.2 Completion

Completion is expected to take place in Q4 2018 subject to and conditional upon the satisfaction or waiver (as the case may be) of, *inter alia*, the closing conditions in the sale and purchase agreements.

On Completion, the Property Holding Entities (as defined below) will become wholly owned subsidiaries of CapitaLand.

3.3 Terms and Conditions

3.3.1 The agreements entered into in respect of the Acquisition are as follows:

- (a) an agreement for the acquisition of interests in the property holding entities ("**Property Holding Entities**") for six of the Properties (the "**Entity PSA**"); and
- (b) an agreement for the acquisition of the interests in remaining 10 Properties (the "**Asset PSA**").

Particulars of the Property Holding Entities and the Properties are set out in the Appendix.

3.3.2 The Entity PSA and Asset PSA contain customary provisions relating to the Acquisition, including representations and warranties, indemnities and pre-completion covenants.

3.3.3 Completion is conditional upon the closing conditions in the Entity PSA and Asset PSA having been fulfilled or waived which include the simultaneous completion under the Entity PSA and Asset PSA respectively.

4. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures for the Acquisition computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

- (a) The Consideration is equivalent to 8.3% of CapitaLand's market capitalisation of approximately SGD13.67 billion based on weighted average price of CapitaLand's shares transacted on 17 September 2018.

- (b) The other bases set out in Rule 1006 are either not applicable or below 5%.

The Acquisition is in the ordinary course of business of CapitalLand.

5. FINANCIAL EFFECTS

Based on the audited consolidated financial statements of CapitalLand for the year ended 31 December 2017:

- (a) assuming that the Acquisition had been effected on 1 January 2017, the impact on the earnings per share is not material; and
- (b) assuming that the Acquisition had been effected on 31 December 2017, the financial impact on the net tangible asset per share is not material.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholder of CapitalLand has any interest, direct or indirect, in the Acquisition.

By Order of the Board

Michelle Koh
Company Secretary
18 September 2018

APPENDIX**INFORMATION ON THE PROPERTIES AND PROPERTY HOLDING COMPANIES****(1) PROPERTIES ACQUIRED THROUGH ACQUISITION OF INTERESTS IN THE PROPERTY HOLDING ENTITIES**

Property Holding Entities	Property Name	Number of Apartment Units
SCG Atlas Dartmouth Woods REIT, L.L.C. SCG Atlas Dartmouth Woods Holdings, L.L.C. SCG Atlas Dartmouth Woods, L.L.C.	Dartmouth Woods	201
SCG Atlas Heronfield REIT, L.L.C. SCG Atlas Heronfield Holdings, L.L.C. SCG Atlas Heronfield, L.L.C.	Heronfield Apartments	202
SCG Atlas Parkfield REIT, L.L.C. SCG Atlas Parkfield Holdings, L.L.C. SCG Atlas Parkfield, L.L.C.	Parkfield	476
SCG Atlas Ashton REIT, L.L.C. SCG Atlas Ashton Holdings, L.L.C. SCG Atlas Ashton, L.L.C.	The Ashton	492
SCG Atlas Deerwood REIT, L.L.C. SCG Atlas Deerwood Holdings, L.L.C. SCG Atlas Deerwood, L.L.C.	Deerwood Apartments	316
SCG Atlas Marquessa REIT, L.L.C. SCG Atlas Marquessa Holdings, L.L.C. SCG Atlas Marquessa, L.L.C.	Marquessa Villas	336

(2) PROPERTIES ACQUIRED THROUGH DIRECT ASSET ACQUISITION

Property Name	Number of Apartment Units
Canterra at Fitzsimons	188
SilverBrook	165
Sienna at Cherry Creek	220

Property Name	Number of Apartment Units
Miramonte Lodge	231
The Bluffs	137
Stoneridge at Cornell	233
Capitol City on the Course	96
Centrepointe Greens	186
Timberline Court	126
The Village at Union Mills	182