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LETTER TO SHAREHOLDERS DATED 3 APRIL 2023

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**CapitaLand Investment Limited**

(Registration Number: 200308451M)  
(Incorporated in the Republic of Singapore)

Registered Office: 168 Robinson Road, #30-01 Capital Tower, Singapore 068912

3 April 2023

To: The Shareholders of CapitaLand Investment Limited

Dear Sir/Madam

- (I) **PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**
- (II) **PROPOSED DISTRIBUTION *IN SPECIE* OF 292 MILLION STAPLED SECURITIES IN CAPITALAND ASCOTT TRUST**

## 1. INTRODUCTION

### 1.1 Summary

We refer to Ordinary Resolution 10 ("**Resolution 10**") relating to the proposed renewal of the Company's share purchase mandate (the "**Share Purchase Mandate**") and Ordinary Resolution 11 ("**Resolution 11**") relating to the proposed distribution *in specie* of 292 million stapled securities in CapitaLand Ascott Trust (the "**CLAS Units**" and such distribution the "**Proposed Distribution**") to Entitled Shareholders (as defined in Annexure II) under the "Special Business" section of the notice dated 3 April 2023 convening the annual general meeting of CapitaLand Investment Limited (the "**Company**") to be held at Canning, Padang & Collyer Ballroom, Level 4, Raffles City Convention Centre, 80 Bras Basah Road, Singapore 189560 on Tuesday, 25 April 2023 at 9.00 a.m. ("**AGM**").

### 1.2 This letter

The purpose of this letter is to provide Shareholders of the Company ("**Shareholders**") with information relating to Resolution 10 and Resolution 11 which will be tabled at the AGM.

### 1.3 Legal Adviser

Allen & Gledhill LLP is the legal adviser to the Company in relation to the proposed renewal of the Share Purchase Mandate and the Proposed Distribution.

## 2. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

### 2.1 Interests of Directors in the Shares

The interests of the directors of the Company (“**Directors**”) in issued ordinary shares of the Company (“**Shares**”), as recorded in the Company’s Register of Directors’ Shareholdings as at 15 March 2023 (the “**Latest Practicable Date**”), are set out below.

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mr Miguel Ko	1,337,793 <sup>(1)</sup>	0.0261	-	-	1,337,793	0.0261
Mr Lee Chee Koon	3,268,553 <sup>(2)</sup>	0.0638	-	-	3,268,553	0.0638
Mr Anthony Lim Weng Kin	61,155	0.0012	1,000 <sup>(3)</sup>	n.m. <sup>(4)</sup>	62,155	0.0012
Mr Chaly Mah Chee Kheong	130,367 <sup>(2)</sup>	0.0025	-	-	130,367	0.0025
Mr Kee Teck Koon	108,163	0.0021	-	-	108,163	0.0021
Mr Gabriel Lim Meng Liang	-	-	-	-	-	-
Ms Judy Hsu Chung Wei	6,882	0.0001	-	-	6,882	0.0001
Mr David Su Tuong Sing	-	-	-	-	-	-
Ms Helen Wong Siu Ming	-	-	-	-	-	-
Tan Sri Abdul Farid bin Alias	-	-	-	-	-	-

#### Notes:

- (1) Shares are jointly held by Mr Miguel Ko and his spouse through DBS Nominees (Private) Limited.
- (2) Shares are held through DBS Nominees (Private) Limited.
- (3) Mr Anthony Lim Weng Kin is deemed to have an interest in the 1,000 Shares held by his spouse.
- (4) “n.m.” means not meaningful.

There were 5,121,635,843 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

The interests of a Director in outstanding awards granted under share schemes implemented by the Company ("**Awards**"), as at the Latest Practicable Date, are set out below.

<b>Director</b>	<b>No. of Shares comprised in outstanding Awards</b>
Mr Lee Chee Koon	1,116,813 <sup>(1)(2)</sup> Up to 3,499,350 <sup>(3)</sup> 184,083 <sup>(4)</sup>

**Notes:**

- (1) Being the Shares under Awards to be vested/delivered after 2023.
- (2) This forms part of the Awards of 2,988,443 performance Shares granted under the CapitaLand Investment Performance Share Plan 2021 ("**CLI PSP 2021**"). These Awards were granted to Mr Lee Chee Koon following the completion of the strategic restructuring and demerger of the investment management business of CapitaLand Limited ("**CL**"), in lieu of the vested CL shares arising from share awards granted to Mr Lee under CL's CapitaLand Performance Share Plan 2010 and CapitaLand Performance Share Plan 2020 (collectively, the "**CL Share Plans**"). The Awards will vest progressively over 3 years in accordance with the original vesting schedules of the relevant share awards under the CL Share Plans.
- (3) The final number of Shares to be released will depend on the achievement of pre-determined targets at the end of the respective performance periods under the CLI PSP 2021.
- (4) Being the unvested two-thirds of the Awards under the CapitaLand Investment Restricted Share Plan 2021.

Save as disclosed, none of the other Directors held or had any interests in any outstanding Awards as at the Latest Practicable Date.

There were 5,121,635,843 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

## 2.2 Interests of Substantial Shareholders in the Shares

The interests of the Shareholders holding directly or indirectly 5% or more of the Shares (the "**Substantial Shareholders**") in issued Shares, as recorded in the Company's Register of Substantial Shareholders as at the Latest Practicable Date, are set out below.

<b>Substantial Shareholders</b>	<b>Direct Interest</b>		<b>Deemed Interest</b>		<b>Total Interest</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
CapitaLand Group Pte. Ltd.	2,693,106,549 <sup>(1)</sup>	52.5829	-	-	2,693,106,549	52.5829
CLA Real Estate Holdings Pte. Ltd.	-	-	2,693,106,549 <sup>(1)</sup>	52.5829	2,693,106,549	52.5829
TJ Holdings (III) Pte. Ltd.	-	-	2,693,106,549 <sup>(1)</sup>	52.5829	2,693,106,549	52.5829
Glenville Investment Pte. Ltd.	-	-	2,693,106,549 <sup>(1)</sup>	52.5829	2,693,106,549	52.5829
Mawson Peak Holdings Pte. Ltd.	-	-	2,693,106,549 <sup>(1)</sup>	52.5829	2,693,106,549	52.5829
Bartley Investments	-	-	2,693,106,549 <sup>(1)</sup>	52.5829	2,693,106,549	52.5829

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Pte. Ltd.						
Tembusu Capital Pte. Ltd.	-	-	2,715,798,249 <sup>(1)(2)</sup>	53.0260	2,715,798,249	53.0260
Temasek Holdings (Private) Limited	-	-	2,716,665,638 <sup>(1)(3)</sup>	53.0429	2,716,665,638	53.0429

**Notes:**

- (1) CapitaLand Group Pte. Ltd. ("**CLG**") was formerly known as CapitaLand Limited.

CLG is a wholly-owned subsidiary of CLA Real Estate Holdings Pte. Ltd. ("**CLA Real Estate**") (formerly known as Ascendas-Singbridge Pte. Ltd.), which in turn is a wholly-owned subsidiary of TJ Holdings (III) Pte. Ltd. ("**TJIII**"), which in turn is a wholly-owned subsidiary of Glenville Investments Pte. Ltd. ("**Glenville**"), which in turn is a wholly-owned subsidiary of Mawson Peak Holdings Pte. Ltd. ("**Mawson**"), which in turn is a wholly-owned subsidiary of Bartley Investments Pte. Ltd. ("**Bartley**"), which in turn is a wholly-owned subsidiary of Tembusu Capital Pte. Ltd. ("**Tembusu**"), which in turn is a wholly-owned subsidiary of Temasek Holdings (Private) Limited ("**Temasek**").

CLA Real Estate, TJIII, Glenville, Mawson, Bartley, Tembusu and Temasek, respectively, are deemed to have an interest in the Shares in which CLG has or is deemed to have an interest, by virtue of Section 4 of the Securities and Futures Act 2001 ("**SFA**").

- (2) Tembusu is deemed to have an interest in the Shares in which its subsidiaries (including but not limited to CLA Real Estate) have or are deemed to have an interest, by virtue of Section 4 of the SFA.
- (3) Temasek is deemed to have an interest in the Shares in which its subsidiaries and associated companies (including but not limited to CLA Real Estate) have or are deemed to have an interest, by virtue of Section 4 of the SFA.

There were 5,121,635,843 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

## 2.3 Interests of Directors in the CLAS Units

The interests of the Directors in CLAS Units as at the Latest Practicable Date are set out below.

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of CLAS Units	% <sup>(3)</sup>	No. of CLAS Units	% <sup>(3)</sup>	No. of CLAS Units	% <sup>(3)</sup>
Mr Miguel Ko	1,588,400 <sup>(1)</sup>	0.0460	-	-	1,588,400	0.0460
Mr Lee Chee Koon	46,440 <sup>(2)</sup>	0.0013	-	-	46,440	0.0013
Mr Anthony Lim Weng Kin	-	-	-	-	-	-
Mr Chaly Mah Chee Kheong	-	-	-	-	-	-
Mr Kee Teck Koon	-	-	-	-	-	-
Mr Gabriel Lim Meng Liang	-	-	-	-	-	-
Ms Judy Hsu Chung Wei	-	-	-	-	-	-
Mr David Su Tuong Sing	-	-	-	-	-	-
Ms Helen Wong Siu Ming	-	-	-	-	-	-
Tan Sri Abdul Farid bin Alias	-	-	-	-	-	-

**Notes:**

- (1) The CLAS Units are jointly held by Mr Miguel Ko and his spouse.
- (2) The CLAS Units are held through DBS Nominees (Private) Limited.
- (3) The figures are based on 3,456,121,850 CLAS Units in issue as at the Latest Practicable Date.

## 2.4 Interests of Substantial Shareholders in the CLAS Units

The interests of the Substantial Shareholders in CLAS Units as at the Latest Practicable Date are set out below.

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of CLAS Units	% <sup>(4)</sup>	No. of CLAS Units	% <sup>(4)</sup>	No. of CLAS Units	% <sup>(4)</sup>
CapitaLand Group Pte. Ltd.	-	-	1,302,818,576 <sup>(1)</sup>	37.6960	1,302,818,576	37.6960
CLA Real Estate Holdings Pte. Ltd.	-	-	1,302,818,576 <sup>(1)</sup>	37.6960	1,302,818,576	37.6960
TJ Holdings (III) Pte. Ltd.	-	-	1,302,818,576 <sup>(1)</sup>	37.6960	1,302,818,576	37.6960
Glenville Investments Pte. Ltd.	-	-	1,302,818,576 <sup>(1)</sup>	37.6960	1,302,818,576	37.6960
Mawson Peak Holdings Pte. Ltd.	-	-	1,302,818,576 <sup>(1)</sup>	37.6960	1,302,818,576	37.6960
Bartley Investments Pte. Ltd.	-	-	1,302,818,576 <sup>(1)</sup>	37.6960	1,302,818,576	37.6960
Tembusu Capital Pte. Ltd.	-	-	1,311,021,676 <sup>(1)(2)</sup>	37.9333	1,311,021,676	37.9333
Temasek Holdings (Private) Limited	-	-	1,317,469,882 <sup>(1)(3)</sup>	38.1199	1,317,469,882	38.1199

### Notes:

- (1) CLG holds 52.5829% of the issued Shares in the Company. CLG is a wholly-owned subsidiary of CLA Real Estate. CLA Real Estate is a wholly-owned subsidiary of TJIII, which in turn is a wholly-owned subsidiary of Glenville, which in turn is a wholly-owned subsidiary of Mawson, which in turn is a wholly-owned subsidiary of Bartley, which in turn is a wholly-owned subsidiary of Tembusu, which in turn is a wholly-owned subsidiary of Temasek.

CLG, CLA Real Estate, TJIII, Glenville, Mawson, Bartley, Tembusu and Temasek, respectively, are deemed to have an interest in the CLAS Units in which the Company has or is deemed to have an interest in, by virtue of Section 4 of the SFA.

- (2) Tembusu is deemed to have an interest in the CLAS Units in which its subsidiaries (including but not limited to CLA Real Estate) have or are deemed to have an interest in, by virtue of Section 4 of the SFA.

(3) Temasek is deemed to have an interest in the CLAS Units in which its subsidiaries and associated companies (including but not limited to CLA Real Estate) have or are deemed to have an interest in, by virtue of Section 4 of the SFA.

(4) The figures are based on 3,456,121,850 CLAS Units in issue as at the Latest Practicable Date.

### **3. DIRECTORS' RESPONSIBILITY STATEMENT**

#### **3.1 Directors' responsibility**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this letter constitutes full and true disclosure of all material facts about the renewal of the Share Purchase Mandate and the Proposed Distribution, and about the Company and its subsidiaries in relation to the renewal of the Share Purchase Mandate and the Proposed Distribution, and the Directors are not aware of any facts the omission of which would make any statement in this letter misleading. Where information in this letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and reproduced in this letter in its proper form and context.

#### **3.2 Disclaimer**

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements made or opinions expressed in this letter. Shareholders who are in any doubt as to the action they should take should consult their stockbrokers or other professional advisers immediately.

Yours faithfully  
For and on behalf of the Board of Directors  
of CapitaLand Investment Limited

**MIGUEL KO**  
Chairman

**PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**



## **1. INTRODUCTION**

### **1.1 Background**

At the annual general meeting of the Company held on 29 April 2022 (“**2022 AGM**”), Shareholders had approved, *inter alia*, the renewal of the Share Purchase Mandate. The authority and limitations of the Share Purchase Mandate were set out in the Company’s letter to Shareholders dated 5 April 2022 and Ordinary Resolution 9 in the notice of the 2022 AGM dated 5 April 2022, respectively. The authority contained in the Share Purchase Mandate renewed at the 2022 AGM was expressed to continue in force until the next annual general meeting of the Company and, as such, would expire on 25 April 2023, being the date of the forthcoming AGM. It is proposed that such authority be renewed. Accordingly, Resolution 10 relating to the proposed renewal of the Share Purchase Mandate will be tabled as an ordinary resolution for Shareholders’ approval at the AGM.

## **2. RENEWAL OF THE SHARE PURCHASE MANDATE**

### **2.1 Rationale for the renewal of the Share Purchase Mandate**

The renewal of the Share Purchase Mandate will give the Company the flexibility to undertake purchases or acquisitions of its Shares at any time, subject to market conditions, during the period that the Share Purchase Mandate is in force. Share purchases or acquisitions allow the Company greater flexibility over its share capital structure with a view to improving, *inter alia*, its return on equity. The Shares which are purchased or acquired may be cancelled or may be held as treasury shares. The Company may, *inter alia*, sell the treasury shares for cash or utilise the treasury shares by transferring the treasury shares to participating employees and Directors for the purposes of or pursuant to its share schemes so as to enable the Company to take advantage of tax deductions under the current taxation regime. The use of treasury shares in lieu of issuing new Shares would also mitigate the dilution impact on existing Shareholders.

It should be noted that the Company will only purchase or acquire Shares pursuant to the Share Purchase Mandate when it is of the view that such purchase or acquisition will or will likely be in the interests of the Company. No purchase or acquisition of Shares will be made in circumstances which would have or is likely to have a material adverse effect on the financial position of the Company and its subsidiaries (collectively, the “**Group**”) and/or affect the listing status of the Company on the SGX-ST.

### **2.2 Authority and limitations of the Share Purchase Mandate**

The authority and limitations placed on the Share Purchase Mandate for which renewal is sought are summarised below. In this regard, the authority and limitations are substantially the same as that of the Share Purchase Mandate approved at the 2022 AGM.

### 2.2.1 Maximum number of Shares

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 5% of the issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM. Under the Companies Act 1967 (“**Companies Act**”) and the Listing Manual of the SGX-ST (“**SGX-ST Listing Manual**”), any Shares which are held as treasury shares or subsidiary holdings shall be disregarded for the purposes of computing the 5% limit. For this purpose, “subsidiary holdings” means any Shares held by subsidiaries of the Company in the circumstances referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act. As at the Latest Practicable Date, 81,559,949 Shares were held as treasury shares and no Shares were held as subsidiary holdings.

For illustrative purposes only, on the basis of 5,121,635,843 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, and assuming that (i) no further Shares are issued on or prior to the AGM, whether pursuant to the vesting of Awards or otherwise, (ii) no further Shares are purchased and held as treasury shares, (iii) no Shares are held as subsidiary holdings, (iv) the Company does not reduce its share capital, and (v) no treasury shares are used, sold, transferred or cancelled, then not more than 256,081,792 Shares (representing 5% of the issued Shares (excluding treasury shares and subsidiary holdings) as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

### 2.2.2 Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM at which the renewal of the Share Purchase Mandate is approved, up to (i) the date on which the next annual general meeting of the Company is held or required by law to be held; (ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied, and (iii) the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earliest.

### 2.2.3 Manner of purchase or acquisition of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) market purchases (“**Market Purchases**”); and/or
- (b) off-market purchases (“**Off-Market Purchases**”).

Market Purchases refer to purchases or acquisitions of Shares by the Company effected on the SGX-ST, or, as the case may be, such other stock exchange for the time being on which the Shares may be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases or acquisitions of Shares by the Company made under an equal access scheme or schemes for the purchase or acquisition of Shares from Shareholders in accordance with Section 76C of the Companies Act. The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the SGX-ST Listing Manual and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. Under the Companies Act, an Off-Market Purchase must, however, satisfy all the following conditions:

- (A) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (B) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (C) the terms of all the offers shall be the same, except that there shall be disregarded:
  - (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
  - (2) differences in consideration attributable to the fact that the offers may relate to Shares with different amounts remaining unpaid; and
  - (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Additionally, the SGX-ST Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain, *inter alia*:

- (aa) the terms and conditions of the offer;
- (bb) the period and procedures for acceptances;
- (cc) the reasons for the proposed Share purchases;
- (dd) the consequences, if any, of Share purchases by the Company that will arise under the Singapore Code on Take-overs and Mergers (the “**Singapore Take-over Code**”) or other applicable take-over rules;
- (ee) whether the Share purchases, if made, could affect the listing of the Shares on the SGX-ST;
- (ff) details of any Share purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices

paid for the purchases, where relevant, and the total consideration paid for the purchases; and

- (gg) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

#### 2.2.4 Purchase price

The purchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses (“**Related Expenses**”)) to be paid for a Share will be determined by the Directors. However, the maximum purchase price (the “**Maximum Price**”) to be paid for the Shares as determined by the Directors must not exceed, in the case of both Market Purchases and Off-Market Purchases, 105% of the Average Closing Price of the Shares excluding Related Expenses.

For the above purposes:

“**Average Closing Price**” means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST, or, as the case may be, such other stock exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company, or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant five-day period and the date of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase; and

“**date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

### 2.3 Status of purchased or acquired Shares

Under the Companies Act, the Shares purchased or acquired by the Company shall be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to those Shares will expire on cancellation, unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and are not held as treasury shares. The Directors will decide whether the Shares purchased or acquired by the Company will be held as treasury shares and/or cancelled, depending on the needs of the Company at that time. It is presently intended by the Company that Shares which are purchased or acquired by the Company will be held as treasury shares, up to the maximum number of treasury shares permitted by law to be held by the Company.

## 2.4 Treasury shares

Under the Companies Act, the Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below.

### 2.4.1 Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. For this purpose, any Shares that are held by subsidiaries in the circumstances referred to in Sections 21(4B) and 21(6C) of the Companies Act shall be included in computing the 10% limit.

### 2.4.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

### 2.4.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time but subject always to the Singapore Take-over Code:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, Directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the SGX-ST Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "usage"). Such announcement must include details such as the date of the usage, the purpose of the usage,

the number of treasury shares of the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares of the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage, and the value of the treasury shares of the usage.

## **2.5 Source of funds**

In purchasing or acquiring Shares pursuant to the Share Purchase Mandate, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution of the Company and applicable laws. Under the Companies Act, any payment made by the Company in consideration of the purchase or acquisition of its Shares may be made out of the Company's capital and/or profits so long as the Company is solvent.

The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its Shares. The Directors do not propose to exercise the Share Purchase Mandate to such extent that it would materially affect the working capital requirements, financial flexibility or investment ability of the Group.

## **2.6 Financial effects**

The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares. The financial effects on the Group and the Company based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2022 are based on the assumptions set out below.

### **2.6.1 Purchase or acquisition out of capital and/or profits**

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital and/or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

### **2.6.2 Maximum Price paid for Shares purchased or acquired**

Based on 5,121,635,843 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, the purchase or acquisition by the

Company of 5% of such Shares will result in the purchase or acquisition of 256,081,792 Shares.

Assuming that the Company purchases or acquires the 256,081,792 Shares at the Maximum Price, in the case of both Market Purchases and Off-Market Purchases, the maximum amount of funds required for the purchase or acquisition of the 256,081,792 Shares is approximately \$935 million, based on \$3.65 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive market days immediately preceding the Latest Practicable Date).

For illustrative purposes only, on the basis of the assumptions set out above as well as the following:

- (A) the Share Purchase Mandate had been effective on 1 January 2022;
- (B) there was no issuance of Shares, whether pursuant to the vesting of Awards or otherwise, after the Latest Practicable Date;
- (C) there was no usage and/or cancellation of treasury shares after the Latest Practicable Date; and
- (D) such Share purchases or acquisitions are funded by internal and/or external resources of the Group,

the financial effects on the audited financial statements of the Group and the Company for the financial year ended 31 December 2022 would have been as hereafter set out.

	<b>Market Purchase or Off-Market Purchase</b>			
	<b>Company</b>		<b>Group</b>	
	<b>Before Share Purchase \$M</b>	<b>After Share Purchase \$M</b>	<b>Before Share Purchase \$M</b>	<b>After Share Purchase \$M</b>
<b>At 31 December 2022</b>				
Total equity	10,855	9,896	18,929	17,956
NTA	10,855	9,896	13,991	13,018
Current assets	722	262	4,421	4,182
Current liabilities	235	235	4,162	4,162
Working capital	487	27	259	20
Net debt	(9)	(9)	9,922	10,895
No. of issued Shares (in Million)	5,114	4,858	5,114	4,858
<b>Financial indicators</b>				
NTA per Share (\$)	2.12	2.04	2.74	2.68
Gearing (Net D/E) (times)	N.M*	N.M*	0.52	0.61
Current ratio (times)	3.07	1.11	1.06	1.00
Basic EPS (cents)	20.6	21.2	16.8	16.9

*\*Not meaningful as the Company is in a net cash position.*

**Notes:**

- (1) NTA means Net Tangible Assets.  
Net D/E means Net Debt-to-Equity ratio.  
EPS means Earnings Per Share.
- (2) The disclosed financial effects remain the same irrespective of whether:
  - (a) the purchase of the Shares is effected out of capital or profits; or
  - (b) the purchased Shares are held in treasury or are cancelled.
- (3) NTA equals total equity less non-controlling interests, perpetual securities and intangible assets. NTA per Share is calculated based on the number of issued Shares excluding treasury shares and subsidiary holdings.
- (4) Current ratio equals current assets divided by current liabilities.

**SHAREHOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT ABOVE ARE BASED ON THE AUDITED FINANCIAL STATEMENTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 AND ARE FOR ILLUSTRATION ONLY. THE RESULTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 MAY NOT BE REPRESENTATIVE OF FUTURE PERFORMANCE.**

It should be noted that although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 5% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 5% of the issued Shares (excluding treasury shares and subsidiary holdings) as mandated. In addition, the Company may cancel or hold in treasury all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

## **2.7 Taxation**

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

## **2.8 Listing status of the Shares**

The SGX-ST Listing Manual requires a listed company to ensure that at least 10% of the total number of its issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed on the SGX-ST, is held by public shareholders at all times. As at the Latest Practicable Date, approximately 47% of the issued Shares are held by public shareholders. Accordingly, the Company is of the view that there is a sufficient number of Shares held by public shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 5% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST. The Company will consider investor interests when maintaining a liquid market in its securities, and will ensure that there is a sufficient float for an orderly market in its securities when purchasing its Shares.



## **2.9 SGX-ST Listing Rules**

The SGX-ST Listing Manual restricts a listed company from purchasing its shares by way of market purchases at a price per share which is more than 5% above the “average closing price”, being the average of the closing market prices of the shares over the last five market days on which transactions in the shares were recorded, before the day on which the purchases are made, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made. The Maximum Price for a Share in relation to Market Purchases referred to in paragraph 2.2 of this Annexure I complies with this requirement. Although the SGX-ST Listing Manual does not prescribe a maximum price in relation to purchases or acquisitions of shares by way of off-market purchases, the Company has set a cap of 5% above the average closing price of a Share as the Maximum Price for a Share to be purchased or acquired by way of an Off-Market Purchase.

While the SGX-ST Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price or trade sensitive nature has occurred or has been the subject of consideration and/or a decision of the Directors until such price or trade sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares through Market Purchases during the one month immediately preceding, and up to the time of announcement of, the Company’s results for the half-year and the full financial year.

## **2.10 Reporting requirements**

The SGX-ST Listing Manual requires a listed company to report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a market purchase, on the market day following the day of purchase or acquisition of any of its shares, and (b) in the case of an off-market purchase under an equal access scheme, on the second market day after the close of acceptances of the offer. Such announcement (in such form prescribed by the SGX-ST Listing Manual), must include details such as the date of the purchase, the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares.

In addition, the Directors are required under the Companies Act to lodge with the Registrar of Companies (as appointed under the Companies Act) within 30 days after the purchase or acquisition of Shares on the SGX-ST the notice of purchase or acquisition in the prescribed form and providing certain particulars including the date of the purchase or acquisition, the number of Shares purchased or acquired, the number of Shares cancelled, the number of Shares held as treasury shares, the issued share capital of the Company before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition of the Shares, and whether the Shares were purchased or acquired out of the profits or the capital of the Company.

## 2.11 Take-over implications

Appendix 2 of the Singapore Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

### 2.11.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him/her increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Singapore Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Singapore Take-over Code.

### 2.11.2 Persons acting in concert

Under the Singapore Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Singapore Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (a) the following companies:
  - (A) a company (“**(A)**”);
  - (B) the parent company of (A) (“**(B)**”);
  - (C) the subsidiaries of (A) (each, “**(C)**”);
  - (D) the fellow subsidiaries of (A) (each, “**(D)**”);
  - (E) the associated companies of any of (A), (B), (C) or (D) (each, “**(E)**”);
  - (F) companies whose associated companies include any of (A), (B), (C), (D) or (E); and
  - (G) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Singapore Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Singapore Take-over Code.

### **2.11.3 Effect of Rule 14 and Appendix 2 of the Singapore Take-over Code**

In general terms, the effect of Rule 14 and Appendix 2 of the Singapore Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Singapore Take-over Code if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Singapore Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Singapore Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

The interests, if any, of the Directors and Substantial Shareholders in Shares as at the Latest Practicable Date are disclosed in paragraph 2 of this letter. As at the Latest Practicable Date, CapitaLand Group Pte. Ltd. has an aggregate interest in 2,693,106,549 Shares, representing approximately 52.6% of the issued Shares (excluding treasury shares). As CapitaLand Group Pte. Ltd. and any Directors presumed to be acting in concert with it collectively already hold more than 50% of the issued Shares, none of the Directors (or any of them) and/or CapitaLand Group Pte. Ltd., including persons acting in concert with it and/or them, would become obliged to make a take-over offer for the Company under Rule 14 read with Appendix 2 of the Singapore Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate of the maximum limit of 5% of its issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

**SHAREHOLDERS WHO ARE IN DOUBT AS TO THEIR OBLIGATIONS, IF ANY, TO MAKE A MANDATORY TAKE-OVER OFFER UNDER THE SINGAPORE TAKE-OVER CODE AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY SHOULD CONSULT THE SECURITIES INDUSTRY COUNCIL AND/OR THEIR PROFESSIONAL ADVISERS AT THE EARLIEST OPPORTUNITY.**

## **2.12 Particulars of Shares purchased in the past year**

As at the Latest Practicable Date, the Company has, pursuant to and in accordance with the terms of the Share Purchase Mandate approved at the 2022 AGM, purchased an aggregate of 34,751,900 Shares by way of Market Purchases effected on the SGX-ST. The highest and lowest prices paid were \$3.87 and \$3.77 per Share, respectively, and the total consideration paid for all purchases was \$133 million, excluding Related Expenses.

## **3. DIRECTORS' RECOMMENDATION**

The Directors are of the opinion, for the reasons set out in paragraph 2.1 of this Annexure I, that the Share Purchase Mandate is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 10 relating to the renewal of the Share Purchase Mandate, which will be proposed as an ordinary resolution at the forthcoming AGM.

**THE PROPOSED DISTRIBUTION *IN SPECIE* OF  
292 MILLION STAPLED SECURITIES IN  
CAPITALAND ASCOTT TRUST TO ENTITLED  
SHAREHOLDERS**

## **IMPORTANT NOTICE TO OVERSEAS SHAREHOLDERS**

The circulation of this Annexure II and the distribution of the CLAS Units (as defined herein) may be prohibited or restricted (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

**Shareholders (as defined herein) are required to inform themselves of and to observe any such prohibition or restriction at their own expense and without any liability of the Company. It is the responsibility of Shareholders in such jurisdictions to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities which are required to be observed and/or payment of any issue, transfer or other taxes due in such jurisdiction.**

Further details on the distribution of and the entitlement of Overseas Shareholders (as defined herein) to the CLAS Units pursuant to the Proposed Distribution (as defined herein) are set out in paragraph 5.7 of this Annexure II.

### **Notice to Australian Shareholders**

This Annexure II is not a prospectus, product disclosure statement or other disclosure document under the Australian Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and it has not been registered, filed with or approved by an Australian regulatory authority under or in accordance with the Australian Corporations Act or any other relevant law in Australia. This Annexure II may not contain all of the information that a prospectus, product disclosure statement or other disclosure document under Australian law is required to contain.

The relevant CLAS Units are not being offered or sold to the public within Australia and no member of the public in Australia may receive the relevant CLAS Units pursuant to the Proposed Distribution, other than persons, being Shareholders of CLI, to whom it is permissible for the Proposed Distribution to be made under Australian law.

### **Notice to Canadian Shareholders**

The Proposed Distribution of CLAS Units is expected to constitute a distribution of securities that is exempt from the prospectus requirements of Canadian securities laws and exempt from or otherwise not subject to the registration requirements of Canadian securities laws. Any resale of CLAS Units by a holder in Canada must be made pursuant to an exemption from prospectus requirements and in compliance with, or in a transaction that is not subject to, the registration requirements of applicable Canadian securities laws. Recipients of CLAS Units in Canada are advised to seek legal advice prior to the resale of any such CLAS Units.

The receipt of CLAS Units pursuant to the Proposed Distribution may have tax consequences under applicable Canadian law and the tax laws of other jurisdictions. Each Shareholder is urged to consult its independent professional advisor regarding the tax consequences to it of the Proposed Distribution.

### **Notice to German Shareholders**

Nothing in this Annexure II constitutes an offer of any securities or any solicitation or invitation with respect to the purchase of any securities, nor does it constitute an advertisement for an offer or issue of any securities or proposed issue of any securities. This Annexure II is not a prospectus or product disclosure statement. Nothing in this Annexure II shall be taken to be any type of legal, financial, tax or other professional advice. Shareholders should seek legal, financial, tax or other professional advice appropriate to their respective jurisdictions.

### **Notice to Hong Kong Shareholders**

This Annexure II does not constitute and is not intended as an offer, invitation or inducement or any marketing to the Shareholders to acquire the CLAS Units nor as a form of application for the CLAS Units.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the transactions contemplated in this document. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

No action has been taken in Hong Kong to authorise or register this Annexure II or to permit the distribution of this Annexure II or any document issued in connection with it.

### **Notice to Indonesian Shareholders**

The Proposed Distribution does not constitute a public offering in Indonesia under Law Number 8 of 1995 regarding Capital Markets (and the relevant implementing regulations). The relevant CLAS Units may not be offered or sold in Indonesia or to Indonesian citizens, wherever they are domiciled, or to Indonesian residents, in a manner which constitutes a public offering under the laws and regulations of Indonesia.

This Annexure II, together with any further information which may be provided to Shareholders, is made available on the condition that it is for exclusive use by the Shareholders and shall not be passed on or further distributed to any other person, or reproduced in whole or in part without the prior written consent of the Company (which consent may be withheld at the Company's sole discretion).

### **Notice to Malaysian Shareholders**

The purpose of this Annexure II is to set out information pertaining to the Proposed Distribution, to seek the approval of Shareholders for the Proposed Distribution and to give Shareholders notice of the AGM.

Nothing in this Annexure II constitutes an offer for the subscription or purchase, or invitation to subscribe for or purchase, or sale, of the relevant CLAS Units in Malaysia. No approval of, or recognition by, the Securities Commission of Malaysia has been or will be obtained for the making available, offer for subscription or purchase, or invitation to subscribe for or purchase, or sale, of the relevant CLAS Units to Shareholders in Malaysia on the basis that the relevant CLAS Units will only be made available, offered or sold (where applicable) exclusively outside Malaysia.

Neither this Annexure II nor any prospectus or other offering material or document has been or will be registered with the Securities Commission of Malaysia as a prospectus under the Capital Markets and

Services Act 2007 on the basis that the relevant CLAS Units will not be sold, issued or offered for subscription or purchase, or be made the subject of an invitation for subscription or purchase, in Malaysia. This Annexure II may not be circulated or distributed in Malaysia, whether directly or indirectly, for the purpose of making available, or offer for subscription or purchase, or invitation to subscribe for or purchase, or sale, of the relevant CLAS Units.

### **Notice to New Zealand Shareholders**

The CLAS Units being distributed under the Proposed Distribution are being distributed to Shareholders with a registered address in New Zealand in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. This Letter is not a product disclosure statement under New Zealand law and has not been registered, filed with, or approved by any New Zealand regulatory authority under or in accordance with the New Zealand Financial Markets Conduct Act 2013 or any other relevant law in New Zealand. It may not contain all the information that a product disclosure statement is required to contain under New Zealand law.

### **Notice to Philippines Shareholders**

This Annexure II does not constitute an offer to sell or the solicitation of an offer to buy any securities in the Republic of the Philippines (the “**Philippines**”) to any person to whom it is unlawful to make the offer or solicitation in the Philippines.

The CLAS Units have not been registered with the Philippines Securities and Exchange Commission under the Securities Regulation Code of the Philippines (“**SRC**”). Any future offer or sale thereof is subject to registration requirements under the SRC unless such offer or sale qualifies as an exempt transaction.

The Philippine Securities and Exchange Commission has not approved the CLAS Units. Any representation to the contrary is a criminal offense and should be reported immediately to the Philippine Securities and Exchange Commission.

You are advised to consult your own tax advisers concerning the tax consequences (if any) of the Proposed Distribution.

### **Notice to PRC Shareholders**

This Annexure II is not, and does not constitute part of, an offer to sell, solicitation of an offer, marketing or consultancy on CLAS, its units or any related securities in PRC. This Annexure II is for CLI’s Shareholders’ reference only, and it should not be by any means deemed as a public offering under the laws and regulations of PRC. This Annexure II or any part hereof, shall not form the basis of, or be relied on in connection with, any investment decision relating to any securities of CLAS. Shareholders in PRC should consult their own professional advisers as to whether or not they are permitted to receive the dividend in the form of the Proposed Distribution or if any governmental or other consent or registration including foreign exchange is required.

Shareholders in PRC are recommended to obtain their own advice from their professional tax advisers on the tax consequences of the Proposed Distribution, and the taxation implications of receiving, holding and dealing in the CLAS Units. It is emphasised that the Company does not accept responsibility for any taxation effects on, or liabilities of, any persons in relation to the Proposed Distribution.



### **Notice to Taiwan Shareholders**

The offer of the CLAS Units has not been and will not be registered or filed with, or approved by, the Taiwan Financial Supervisory Commission or other regulatory authority pursuant to relevant securities laws and regulations and may not be offered or sold within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or other regulations that requires a registration, filing or approval of the Taiwan Financial Supervisory Commission or other regulatory authority. No person or entity in Taiwan has been authorized to offer or sell the CLAS Units in Taiwan.

### **Notice to Thailand Shareholders**

This Annexure II does not constitute an offering of securities pursuant to the Securities and Exchange Act of Thailand. Neither the Proposed Distribution and the Letter has been approved by or filed with the Securities and Exchange Commission of Thailand.

### **Notice to UK Shareholders**

This Annexure II does not constitute and is not intended as an offer, invitation or inducement to Shareholders to acquire CLAS Units or engage in investment activity in connection therewith. The contents of this Annexure II have not been reviewed by any regulatory authority in the United Kingdom and no action has been taken in the United Kingdom to authorise or register this Annexure II or to permit the distribution of this Annexure II or any document issued in connection with it.

Shareholders are advised to exercise caution in relation to the transactions contemplated in this Annexure II. If any Shareholder is in any doubt about any of the contents of this Annexure II, such Shareholder should obtain independent professional advice.

### **Notice to US Shareholders**

This Annexure II is not for release, publication or distribution, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of that jurisdiction. This Annexure II shall not constitute an offer to sell or a solicitation of an offer to sell, subscribe for or buy securities in any jurisdiction, including in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"). The securities described herein have not been and will not be, and are not required to be, registered with the U.S. Securities and Exchange Commission (the "**U.S. SEC**") under the U.S. Securities Act or the securities laws of any state of the United States. The relevant CLAS Units will be distributed in reliance on the position taken by the Division of Corporation Finance of the U.S. SEC, set forth in Staff Legal Bulletin No. 4, that shares distributed in a spin-off do not require registration under the U.S. Securities Act, if, as is the case with respect to the Proposed Distribution, certain conditions are satisfied, and there are available exemptions from such state law registration requirements. Neither the U.S. SEC nor any other United States federal or state securities commission or regulatory authority has approved or disapproved of the CLAS Units or passed an opinion on the adequacy of this Annexure II. Any representation to the contrary is a criminal offence in the United States. Overseas Shareholders, including but not limited to those in the United States, are advised to read this section and paragraph 5.7 of this Annexure II.

## DEFINITIONS

In this Annexure II, the following definitions shall apply throughout unless otherwise stated:

- “AGM”** : The annual general meeting of the Company to be held at Canning, Padang & Collyer Ballroom, Level 4, Raffles City Convention Centre, 80 Bras Basah Road, Singapore 189560 on Tuesday, 25 April 2023 at 9.00 a.m. (and any adjournment thereof)
- “Applicable Period”** : A period of one (1) calendar month commencing from the date that the CLAS Units are credited to the Securities Account of the Entitled Shareholders, during which the Odd Lots Trading Brokerage Fee Arrangement will be available, which is expected to be from 12 May 2023 to 12 June 2023
- “Board”** : The Board of Directors of the Company
- “Brokers”** : DBS Vickers Securities (Singapore) Pte Ltd, Phillip Securities Pte Ltd and UOB Kay Hian Private Limited
- “CapitaLand Ascott BT”** : CapitaLand Ascott Business Trust (formerly known as Ascott Business Trust)
- CLAS is a stapled group comprising CapitaLand Ascott BT and CapitaLand Ascott REIT. As at the Latest Practicable Date, the Company holds 1,302,818,576 CLAS Units, representing approximately 37.70% of the total number of CLAS Units in issue as at the Latest Practicable Date through its directly and indirectly wholly-owned subsidiaries
- “CapitaLand Ascott REIT”** : CapitaLand Ascott Real Estate Investment Trust (formerly known as Ascott Real Estate Investment Trust)
- CLAS is a stapled group comprising CapitaLand Ascott BT and CapitaLand Ascott REIT. As at the Latest Practicable Date, the Company holds 1,302,818,576 CLAS Units, representing approximately 37.70% of the total number of CLAS Units in issue as at the Latest Practicable Date through its directly and indirectly wholly-owned subsidiaries
- “CLAS”** : CapitaLand Ascott Trust (formerly known as Ascott Residence Trust), a stapled group comprising CapitaLand Ascott BT and CapitaLand Ascott REIT
- “CLAS FY2022 Financial Results”** : The audited consolidated financial statements of CLAS for FY2022

<b>“CLAS Units”</b>	: Stapled securities in CLAS consisting of units in CapitaLand Ascott BT and CapitaLand Ascott REIT
<b>“CLI” or “Company”</b>	: CapitaLand Investment Limited
<b>“CLI FY2022 Financial Results”</b>	: The audited consolidated financial statements of the CLI Group for FY2022
<b>“CLI Group” or “Group”</b>	: The Company and its subsidiaries
<b>“CDP”</b>	: The Central Depository (Pte) Limited
<b>“Companies Act”</b>	: The Companies Act 1967
<b>“Completion Date”</b>	: Has the meaning given to it in paragraph 1.1 of this Annexure II, being the date that the Proposed Distribution is completed
<b>“CPF”</b>	: Central Provident Fund
<b>“CPF Agent Banks”</b>	: Agent banks included under the CPFIS
<b>“CPFIS”</b>	: CPF Investment Scheme
<b>“CPFIS Members”</b>	: Has the meaning given to it in paragraph 5.4 of this Annexure II, being investors who have purchased Shares using their CPF funds
<b>“Directors”</b>	: The directors of the Company
<b>“EPS”</b>	: Earnings per Share
<b>“Entitled Shareholders”</b>	: Shareholders who hold Shares as at the Record Date that will be entitled to the Proposed Distribution
<b>“FY2021”</b>	: The financial year ended 31 December 2021
<b>“FY2022”</b>	: The financial year ended 31 December 2022
<b>“Latest Practicable Date”</b>	: 15 March 2023, being the latest practicable date prior to the publication of this Annexure II
<b>“Listing Manual”</b>	: The listing manual of the SGX-ST
<b>“Market Day”</b>	: A day on which the SGX-ST is open for trading in securities
<b>“NAV”</b>	: Net asset value
<b>“Notice of AGM”</b>	: The notice of the AGM dated 3 April 2023
<b>“NTA”</b>	: Net tangible assets

<b>“Odd Lots Trades”</b>	: (i) an aggregate of 99 or less CLAS Units bought in a single day; or  (ii) an aggregate of 99 or less CLAS Units sold in a single day
<b>“Odd Lots Trading Brokerage Fee Arrangement”</b>	: The bearing by the Company of the brokerage fees (including any goods and services tax relating to such fees) in respect of Odd Lots Trades carried out via the Brokers during the Applicable Period such that holders of CLAS Units will not be charged any brokerage fees for Odd Lots Trades during the Applicable Period
<b>“Overseas Shareholders”</b>	: Has the meaning given to it in paragraph 5.7 of this Annexure II, being overseas shareholders whose registered address for the service of the notices and/or documents on the Register of CLI or the Depository Register (as the case may be) is not in Singapore as at the Record Date
<b>“Proposed Distribution”</b>	: Has the meaning given to it in paragraph 1 of this Annexure II, being the proposed distribution <i>in specie</i> of 292 million stapled securities in CLAS to Entitled Shareholders on a <i>pro rata</i> basis
<b>“REITs”</b>	: Real Estate Investment Trusts
<b>“Record Date”</b>	: Has the meaning given to it in paragraph 4.1 of this Annexure II, being the record date to be determined by the Company
<b>“Register of CLI”</b>	: The register of members of CLI, as maintained by the Share Registrar
<b>“Register of CLAS”</b>	: The register of unitholders of CLAS, as maintained by the Unit Registrar
<b>“ROE”</b>	: Return-on-equity
<b>“Securities Account”</b>	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account
<b>“SFA”</b>	: The Securities and Futures Act 2001
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	: Registered holders of Shares, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited

<b>“Shares”</b>	: Ordinary shares of the Company
<b>“Share Registrar”</b>	: Boardroom Corporate & Advisory Services Pte. Ltd., with its registered office at 1 Harbourfront Avenue, Keppel Bay Tower #14-07 Singapore 098632, the share registrar of the Company
<b>“SRS”</b>	: Supplementary Retirement Scheme
<b>“SRS Approved Banks” or “SRS Operators”</b>	: Approved banks in which SRS Investors hold their accounts under the SRS
<b>“SRS Investors”</b>	: Has the meaning given to it in paragraph 5.5 of this Annexure II, being investors who have purchased Shares using their SRS Funds
<b>“Substantial Shareholders”</b>	: A Shareholder who holds directly or indirectly 5% or more of the total issued and voting share capital of the Company
<b>“S\$” or “cents”</b>	: Singapore dollar, and cents respectively, unless otherwise stated
<b>“Unit Registrar”</b>	: Boardroom Corporate & Advisory Services Pte. Ltd. with its registered office at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, the unit registrar of CLAS
<b>“%” or “per cent.”</b>	: Per centum or percentage.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Annexure II to any enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof and used in this Annexure II shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in tables included herein between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Annexure II shall be a reference to Singapore time unless otherwise stated.

## INDICATIVE TIMETABLE

For illustrative purposes, the following are indicative dates and times for the Proposed Distribution<sup>(1)</sup>:

<i>Expected date of announcement of the conditional Record Date</i>	:	<i>On or about 19 April 2023</i>
Last date and time for lodgement of Proxy Forms for the AGM <sup>(2)</sup>	:	22 April 2023 at 9.00 a.m.
Date and time of the AGM	:	25 April 2023 at 9.00 a.m.
Place of AGM	:	Canning, Padang & Collyer Ballroom, Level 4, Raffles City Convention Centre, 80 Bras Basah Road, Singapore 189560
<i>Expected Record Date for the Proposed Distribution</i>	:	<i>On or about 2 May 2023 at 5.00 p.m.</i>
<i>Expected date for distributing the CLAS Units to the Entitled Shareholders pursuant to the Proposed Distribution</i>	:	<i>On or about 12 May 2023</i>

Notes:

- (1) Save for the date and time by which the Proxy Forms must be lodged and the date and time of the AGM, the timetable above is only indicative and the actual dates of the events in italics will be announced by the Company in due course by way of SGXNET announcements released on the SGX-ST.
- (2) The AGM will be held in a **wholly physical format** at Canning, Padang & Collyer Ballroom, Level 4, Raffles City Convention Centre, 80 Bras Basah Road, Singapore 189560 on Tuesday, 25 April 2023 at 9.00 a.m. (Singapore time), pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. There will be **no option to participate virtually**.

Printed copies of this letter, together with the Notice of AGM and the accompanying Proxy Form, will not be sent to Shareholders. Instead, this letter, together with the Notice of AGM and the accompanying Proxy Form, will be sent to Shareholders by electronic means via publication on the Company's website at the URL [https://ir.capitalandinvest.com/agm\\_egm.html](https://ir.capitalandinvest.com/agm_egm.html) and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Shareholders may participate in the AGM by:

- (a) attending the AGM in person;
- (b) submitting questions to the Chairman of the Meeting in advance of, or at, the AGM; and/or
- (c) voting at the AGM (i) themselves; or (ii) through duly appointed proxy(ies).

CPFIS Members and SRS Investors (i) may attend, speak and vote at the AGM in person if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators as soon as practicable if they have any queries regarding their appointment as proxies; or (ii) (as an

alternative to (i) above) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on Thursday, 13 April 2023**, being seven working days before the date of the AGM. For avoidance of doubt, CPFIS Members and SRS Investors will not be able to appoint third party proxy(ies) (i.e. other than the Chairman of the Meeting) to vote at the AGM on their behalf.

A Shareholder who wishes to submit an instrument of proxy must do so in the following manner: (i) if submitted by post, by completing and signing the Proxy Form, before lodging it at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or (ii) if submitted electronically, (a) via email, by completing and signing the Proxy Form, before attaching and sending a clear scanned PDF copy of it to the Company's Share Registrar at [CLL@boardroomlimited.com](mailto:CLL@boardroomlimited.com); or (b) via the AGM website, by completing and authorising the appointment using the e-Proxy Form online proxy appointment process through the AGM website which is accessible at the URL [https://ir.capitalandinvest.com/agm\\_egm.html](https://ir.capitalandinvest.com/agm_egm.html), in each case, by **9.00 a.m. on Saturday, 22 April 2023**, being 72 hours before the time appointed for the holding of the AGM.

## 1. INTRODUCTION

### 1.1 Background

We refer to:

- (a) the announcement dated 23 February 2023 issued by the Company in relation to the proposed distribution *in specie* of 292 million stapled securities in CapitaLand Ascott Trust (formerly known as Ascott Residence Trust) consisting of units in CapitaLand Ascott Business Trust (formerly known as Ascott Business Trust) (“**CapitaLand Ascott BT**”) and CapitaLand Ascott Real Estate Investment Trust (formerly known as Ascott Real Estate Investment Trust) (“**CapitaLand Ascott REIT**”) (“**CLAS**”, and such stapled securities, the “**CLAS Units**”) to Entitled Shareholders (as defined below) on a *pro rata* basis (the “**Proposed Distribution**”), a copy of which is available on the website of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) at <https://www.sgx.com> and on the website of the Company at [https://ir.capitalandinvest.com/agm\\_egm.html](https://ir.capitalandinvest.com/agm_egm.html);
- (b) the Notice of the Annual General Meeting of the Company dated 3 April 2023 (the “**Notice of AGM**”) convening the Annual General Meeting of the Company to be held on 25 April 2023 (the “**AGM**”); and
- (c) Ordinary Resolution 11 relating to the Proposed Distribution, as proposed in the Notice of AGM.

The Proposed Distribution is subject to various conditions, including, but not limited to, the approval of Shareholders as set out in paragraph 4.4 of this Annexure II.

No payment will be required from Shareholders for the CLAS Units to be received from the Proposed Distribution. The CLAS Units will be distributed free of encumbrances and together with all rights attaching thereto on and from the date the Proposed Distribution is completed (the “**Completion Date**”).

### 1.2 Purpose of this Annexure II

The purpose of this Annexure II is to provide Shareholders with relevant information relating to the Proposed Distribution, including the rationale and the pro forma financial effects of the Proposed Distribution on the Group, and to seek Shareholders’ approval for the resolution relating to the Proposed Distribution to be proposed at the AGM.

## 2. INFORMATION ON CAPITALAND ASCOTT TRUST

### 2.1 General

CLAS is the largest lodging trust in Asia-Pacific with an asset value of S\$8.0 billion as at 31 December 2022. CLAS is a stapled group comprising CapitaLand Ascott REIT and CapitaLand Ascott BT. CLAS was listed on the SGX-ST since March 2006, and is a constituent of the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index). CLAS is managed by



CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott REIT), and CapitaLand Ascott Business Trust Management Pte. Ltd. (as trustee-manager of CapitaLand Ascott BT).

CLAS's international portfolio comprises 105 properties with more than 18,000 units in 47 cities across 15 countries in Asia Pacific, Europe and the United States of America as at 31 December 2022. CLAS's properties are mostly operated under the Ascott, Somerset, Quest and Citadines brands. They are mainly located in key gateway cities such as Barcelona, Berlin, Brussels, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, London, Manila, Melbourne, Munich, New York, Paris, Perth, Seoul, Singapore, Sydney and Tokyo.

CLAS's objective is to invest primarily in income-producing real estate and real estate-related assets which are used or predominantly used as serviced residences, rental housing properties, student accommodation and other hospitality assets in any country in the world.

## 2.2 Financial Information

Based on the audited consolidated financial statements of CLAS for the financial years ended (i) 31 December 2022 (the "**CLAS FY2022 Financial Results**"), (ii) 31 December 2021 and (iii) 31 December 2020, the key financial information of CLAS for the past three financial years are set out below.

	<b>Financial year ended 31 December 2022</b>	<b>Financial year ended 31 December 2021</b>	<b>Financial year ended 31 December 2020</b>
Revenue (S\$'000)	621,242	394,412	369,872
Net Profit / (Loss) Before Tax (S\$'000)	259,783	374,932	(267,964)
Net Asset Value attributable to its unitholders (S\$'000)	3,965,436	3,890,860	3,567,251

## 2.3 Further Information on CLAS

Further information on CLAS can be found at the website of CLAS at <https://www.capitalandascotttrust.com/> and at the website of the SGX-ST at <https://www.sgx.com>.

## 3. RATIONALE FOR THE PROPOSED DISTRIBUTION

The Company's holding of CLAS Units through its directly and indirectly held wholly-owned subsidiaries is for long term investment purposes. The Board is of the view that the Proposed Distribution would be beneficial to the Company and Shareholders as follows:

### 3.1 Enable CLI Shareholders to participate in the growth of Asia-Pacific's Largest Lodging Trust

With the reopening of economies in 2022 and China's relaxation of its zero COVID-19 policy in December 2022, the lodging and hospitality sectors have registered strong recovery and are well-positioned for future growth. CLAS, Asia-Pacific's largest lodging trust, has a diversified and well-balanced portfolio, and is expected to benefit from pent-up demand for travel as more destinations reopen and international travel continues to grow. The Board therefore considers that now is an opportune time to unlock value for Shareholders by providing them with the opportunity to participate in the post COVID-19 growth of the lodging sector through the proposed distribution of CLAS Units, and at the same time rebalance CLI's holding in CLAS.

### 3.2 Strategic Alignment and Capital Management

As a leading global real estate investment manager, CLI aims to deliver sustainable growth and high return-on-equity ("ROE") to its Shareholders. The Proposed Distribution is part of the Company's ongoing capital management. It also creates an opportunity for CLI to support the growth of the investor base of its sponsored REITs and business trusts. Post the Proposed Distribution, CLI will remain the largest unitholder of CLAS with approximately 29.26% of CLAS Units, maintaining strong alignment with CLAS unitholders' interests. CLI remains fully committed as a sponsor of CLAS to further developing CLAS, and all of its other REITs and business trusts, into robust growth engines through supporting their asset development, acquisition and fund-raising activities.

## 4. DETAILS OF THE PROPOSED DISTRIBUTION

### 4.1 Method of Distribution and Distribution Ratio

As at the Latest Practicable Date, the Company does not have any direct interest in CLAS but holds 1,302,818,576 CLAS Units, representing approximately 37.70% of the total number of CLAS Units in issue as at the Latest Practicable Date, through its directly and indirectly wholly-owned subsidiaries.<sup>1</sup>

To facilitate the Proposed Distribution, the Company's directly held wholly-owned subsidiary, The Ascott Limited, will undertake a distribution *in specie* to distribute 292 million CLAS Units to the Company, representing approximately 8.44% of the CLAS Units in issue as at the Latest Practicable Date.

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<sup>1</sup> Being:

- (a) CapitaLand Ascott Trust Management Limited, which directly holds 248,247,161 CLAS Units, representing approximately 7.18% of the total number of CLAS Units in issue as at the Latest Practicable Date;
- (b) CapitaLand Ascott Business Trust Management Pte. Ltd., which directly holds 6,361,434 CLAS Units, representing approximately 0.18% of the total number of CLAS Units in issue as at the Latest Practicable Date;
- (c) Carmel Plus Pte. Ltd., which directly holds 3,264,805 CLAS Units, representing approximately 0.10% of the total number of CLAS Units in issue as at the Latest Practicable Date;
- (d) The Ascott Limited, which directly holds 476,152,416 CLAS Units, representing approximately 13.78% of the total number of CLAS Units in issue as at the Latest Practicable Date; and
- (e) Somerset Capital Pte Ltd, which directly holds 568,792,760 CLAS Units, representing approximately 16.46% of the total number of CLAS Units in issue as at the Latest Practicable Date.

The Proposed Distribution is subject to the satisfaction of the conditions set out in paragraph 4.4 of this Annexure II. As the number of CLAS Units to be distributed pursuant to the Proposed Distribution is fixed, the distribution ratio in respect of the Proposed Distribution will vary depending on the total number of Shares in issue as at a record date to be determined by the Company (the “**Record Date**”) and will be announced by the Company in due course. As at the Latest Practicable Date, the Company has a share capital comprising 5,121,635,843 Shares (excluding treasury shares). Assuming that there is no change to the number of Shares in issue as at the Latest Practicable Date and as at the Record Date, for illustrative purposes, the Proposed Distribution will be effected on the basis of **0.057 CLAS Units for one Share** held by each Entitled Shareholder (as defined below) as at the Record Date, fractional entitlements to be disregarded.

Entitled Shareholders will receive the CLAS Units free of cash outlay. The CLAS Units will be distributed free of encumbrances and together with all rights attaching thereto on and from the Completion Date.

#### **4.2 Entitled Shareholders**

Shareholders who hold Shares as at the Record Date will be entitled to the Proposed Distribution (the “**Entitled Shareholders**”).

#### **4.3 Appropriation from Retained Profits**

To effect the Proposed Distribution as a dividend *in specie* (characterised as a one-tier dividend), the Company will appropriate an amount out of the retained profits of the Company to meet the amount of dividend to be declared. The final appropriated amount is expected to be based on the value of the CLAS Units on the Completion Date. For illustrative purposes, assuming that CLAS is trading at S\$1.04 per CLAS Unit on the Completion Date, the amount to be appropriated would be approximately S\$304 million.

#### **4.4 Conditions to the Proposed Distribution**

The Proposed Distribution is subject to and conditional upon, *inter alia*, the satisfaction or waiver of the following conditions precedent:

- (a) the approval of Shareholders by way of an ordinary resolution for the Proposed Distribution at the AGM; and
- (b) all other necessary waivers, consents and approvals from, *inter alia*, the SGX-ST and other third parties in connection with the Proposed Distribution being obtained.

#### **4.5 Effects of the Proposed Distribution**

On completion of the Proposed Distribution, the Company will continue to hold (through its wholly-owned subsidiaries) 1,010,885,333 CLAS Units, representing approximately 29.26% of the total number of CLAS Units in issue as at the Latest Practicable Date.

The Proposed Distribution will result in a decrease in CLI Group's unitholding in CLAS by approximately 8.44%, from approximately 37.70% to approximately 29.26%.

#### 4.5.1 Financial Effects of the Proposed Distribution- Bases and Assumptions

The pro forma financial effects of the Proposed Distribution on selected financial measures of the Group have been prepared based on the CLI FY2022 Financial Results and the CLAS FY2022 Financial Results, and are purely for illustrative purposes only and do not reflect the future actual financial position of the Group following the completion of the Proposed Distribution.

The pro forma financial effects have also been prepared based on, *inter alia*, the following assumptions:

- (a) the Proposed Distribution of such CLAS Units will be based on the value of the CLAS Units on the Completion Date. For the pro forma financial purposes, assuming that CLAS is trading at S\$1.04 per CLAS Unit on the Completion Date, the amount of the Proposed Distribution is approximately S\$304 million;
- (b) the net borrowings, net gearing, net tangible assets (the "NTA") and net asset value ("NAV") per Share of the Group have been prepared on the assumption that the Proposed Distribution had been completed on 31 December 2022, being the end of the most recently completed financial year of the Group and of which the statement of financial position of the Group has been publicly announced; and
- (c) the earnings per Share (the "EPS") of the Group has been prepared on the assumption that the Proposed Distribution had been completed on 1 January 2022, being the beginning of the most recently completed financial year of the Group and of which the statement of profit or loss of the Group has been publicly announced, and the distribution had been made at CLAS's unit price of S\$1.04 per CLAS Unit.

#### 4.5.2 NTA and NAV

For illustrative purposes only, assuming that the Proposed Distribution had been completed on 31 December 2022, the pro forma financial effects of the Proposed Distribution on the NTA, NTA per Share, NAV and NAV per Share of the Group are as follows:

	Before the Proposed Distribution	After the Proposed Distribution
NTA (S\$ million)	13,991	13,687
NTA per Share <sup>(1)</sup> (S\$)	2.74	2.68
NAV (S\$ million)	15,133	14,829

	<b>Before the Proposed Distribution</b>	<b>After the Proposed Distribution</b>
NAV per Share <sup>(1)</sup> (S\$)	2.96	2.90

**Note:**

(1) The figures are based on the issued share capital of 5,114,165,091 Shares (excluding treasury shares) as at 31 December 2022.

#### **4.5.3 EPS**

For illustrative purposes only, assuming that the Proposed Distribution had been completed on 1 January 2022, the pro forma financial effects of the Proposed Distribution on the EPS of the Group are as follows:

	<b>Before the Proposed Distribution</b>	<b>After the Proposed Distribution</b>
Net profit attributable to Shareholders (S\$ million)	861	842
EPS <sup>(1)</sup> (S\$ cents)	16.8	16.4

**Note:**

(1) The figures are based on the weighted average of 5,129,260,896 Shares (excluding treasury shares) as at 31 December 2022.

#### **4.5.4 Leverage Ratios**

For illustrative purposes only, assuming that the Proposed Distribution had been completed on 31 December 2022, the pro forma financial effects of the Proposed Distribution on the leverage ratios of the Group are as follows:

	<b>Before the Proposed Distribution</b>	<b>After the Proposed Distribution</b>
Net debt (S\$ million)	9,922	9,922
Net debt-to-equity ratio (times)	0.52x	0.53x

#### **4.5.5 Share Capital**

Entitled Shareholders will hold both Shares and CLAS Units immediately after the Proposed Distribution. **The Proposed Distribution will not result in any change to the issued and paid-up share capital of the Company after the Proposed Distribution or to the number of Shares held by each Entitled Shareholder.**

#### **4.6 Date of Distributing the CLAS Units**

Subject to the conditions in paragraph 4.4 of this Annexure II being satisfied, it is currently expected that the Securities Accounts of Shareholders who are Depositors will be credited with CLAS Units on or about 12 May 2023. For Shareholders who hold their Shares in scrip form, the relevant number of CLAS Units will be distributed to such Shareholders on or about 12 May 2023 by the entry of their names into the Register of CLAS. Please refer to paragraph 5 of this Annexure II for further details.

#### **4.7 Taxation**

Shareholders should note that the following statements are not to be regarded as advice on the tax position of any Shareholder or on any tax implications arising from the Proposed Distribution. Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction outside Singapore should consult their own professional advisers.

##### **4.7.1 Tax Implications for the Shareholders**

As the Company is tax resident in Singapore, dividends paid by the Company (whether paid in the form of cash or by way of distribution *in specie* of the Company's assets) are tax exempt (one-tier) dividends which are exempt from Singapore income tax in the hands of the Shareholders. Accordingly, as the Proposed Distribution is a payment of a dividend *in specie* by the Company, it will be exempt from Singapore income tax when received by Shareholders.

##### **4.7.2 Stamp Duty**

The Company will bear stamp duty, if any, chargeable for the transfer of the CLAS Units by the Company to Shareholders pursuant to the Proposed Distribution.

### **5. ADMINISTRATIVE PROCEDURES FOR THE PROPOSED DISTRIBUTION**

#### **5.1 Record Date and Entitlements**

Persons registered in the Register of CLI and Depositors whose Securities Accounts are credited with Shares as at the Record Date would be entitled to receive 0.057 CLAS Units<sup>2</sup> for each Share held by them or on their behalf as at the Record Date.

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<sup>2</sup> Assuming that there is no change to the number of Shares in issue as at the Latest Practicable Date and as at the Record Date. As the number of CLAS Units to be distributed pursuant to the Proposed Distribution is fixed, the distribution ratio in respect of the Proposed Distribution will vary depending on the total number of Shares in issue as at the Record Date and will be announced by the Company in due course.

The Company will announce the conditional Record Date in due course in order to determine the entitlements of each Shareholder to the CLAS Units.

## **5.2 Depositors**

In the case of Shareholders being Depositors, entitlements to the CLAS Units will be determined on the basis of the number of Shares standing to the credit of their respective Securities Accounts as at the Record Date. Following the Record Date, CDP will credit their Securities Accounts with the relevant number of CLAS Units on the credit date to be announced by the Company in due course and CDP will send to each such Depositor a notification letter confirming the number of CLAS Units that has been credited to his Securities Account.

## **5.3 Scrip Shareholders**

In the case of Shareholders who hold Shares registered in their own names in the Register of CLI, entitlements to the CLAS Units will be determined on the basis of their holdings of Shares in the Register of CLI as at the Record Date. Following the Record Date, the names of such Shareholders as well as the relevant number of CLAS Units to be distributed to such Shareholders will be entered into the Register of CLAS and the confirmation note in respect of the CLAS Units will be sent to them by registered post to their address as stated in the Register of CLI. Shareholders should note that they will not be able to trade in such CLAS Units on the SGX-ST unless they have a Securities Account and make appropriate arrangements for the CLAS Units to be deposited with CDP for crediting into said Securities Account.

**Shareholders holding their Shares in scrip form and who wish to have the CLAS Units credited to their Securities Accounts pursuant to the Proposed Distribution or wish to trade the CLAS Units on the SGX-ST on or immediately after the Proposed Distribution should deposit with CDP their existing share certificates in respect of their Shares, together with the duly executed instruments of transfer in favour of CDP, no later than 5.00 p.m. on 13 April 2023, being the date falling 12 Market Days prior to the Record Date so as to enable CDP to credit their Securities Accounts with the relevant Shares by the Record Date and thereafter for CDP to credit their Securities Accounts with the CLAS Units. Any deposition requests received after 5.00 p.m. on 13 April 2023, and up to the expected date for distributing the CLAS Units to the Entitled Shareholders pursuant to the Proposed Distribution on or about 12 May 2023, will only be processed by CDP after 12 May 2023.**

## **5.4 CPFIS Members**

In the case of investors who have purchased Shares using their CPF funds (“**CPFIS Members**”), entitlements to the CLAS Units will be determined on the basis of the number of Shares held by the CPF Agent Banks on behalf of each CPFIS Member as at the Record Date. Following the Record Date, CDP will credit the CLAS Units attributable to CPFIS Members pursuant to the Proposed Distribution to the respective Securities Accounts of the relevant CPF Agent Banks, and the CPF Agent Banks will update their records accordingly.

## 5.5 SRS Investors

In the case of investors who have purchased Shares using their SRS funds (“**SRS Investors**”), entitlements to the CLAS Units will be determined on the basis of the number of Shares held by the SRS Approved Banks on behalf of each such SRS Investor as at the Record Date. Following the Record Date, CDP will credit the CLAS Units attributable to such SRS Investors pursuant to the Proposed Distribution to the Securities Accounts of the SRS Approved Banks, and the SRS Approved Banks will update their records accordingly.

## 5.6 Investors whose Shares are held through a finance company and/or a Depository Agent

In the case of investors who hold Shares through a finance company and/or Depository Agent, entitlements to the CLAS Units will be determined on the basis of the number of Shares held by the finance companies and/or the Depository Agents on behalf of such investors as at the Record Date. Following the Record Date, CDP will credit the CLAS Units attributable to such investors pursuant to the Proposed Distribution to the Securities Accounts of the finance companies and/or the Depository Agents.

## 5.7 Overseas Shareholders

You will be regarded as an overseas shareholder if your registered address for the service of the notices and/or documents on the Register of CLI or the Depository Register (as the case may be) is not in Singapore as at the Record Date (the “**Overseas Shareholder**”). Shareholders who wish to change their registered address on the Register of CLI or the Depository Register (as the case may be) to provide an address in Singapore in substitution thereof prior to the Record Date may do so by sending a notice in writing to the Share Registrar (in the case of a change of address on the Register of CLI) or CDP (in the case of a change of address on the Depository Register), respectively not later than three Market Days prior to the Record Date.

**The distribution of this Annexure II to Overseas Shareholders and the Proposed Distribution may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Overseas Shareholders are required to inform themselves of and to observe any such prohibition or restriction at their own expense and without any liability of the Company. It is the responsibility of Overseas Shareholders to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities which are required to be observed and/or payment of any issue, transfer or other taxes due in such jurisdiction.**

For practical reasons and in order to avoid violating applicable securities laws outside Singapore, or where the Directors are of the view that such distribution may infringe any foreign law or may necessitate compliance with conditions or requirements which the Directors, in their absolute discretion, regard as onerous or impracticable by reason of costs, delay or otherwise, the Directors reserve the discretion not to distribute the CLAS Units to any Overseas Shareholder and to deal with such CLAS Units in the manner set out below.



In the event the Directors decide not to distribute the CLAS Units to any Overseas Shareholders, arrangements will be made for the distribution of the CLAS Units which would otherwise be distributed to such Overseas Shareholders pursuant to the Proposed Distribution to such person(s) as the Directors may appoint to sell such CLAS Units and thereafter the net proceeds of such sale, after deducting for all dealings and other expenses in connection therewith, shall be distributed proportionately among such Overseas Shareholders according to their respective entitlements to the CLAS Units as at the Record Date in full satisfaction of their rights to the CLAS Units which they would otherwise have become entitled to under the Proposed Distribution.

Please also refer to the section entitled “**Important Notice to Overseas Shareholders**” of this Annexure II for further details.

## **5.8 Odd Lot Trading**

### **5.8.1 Odd Lots Trading for up to 99 CLAS Units**

Entitled Shareholders should note that they may receive odd lots of CLAS Units pursuant to the Proposed Distribution. Some Entitled Shareholders may currently also own odd lots of Shares, and as such will receive odd lots of CLAS Units. Entitled Shareholders who receive odd lots of CLAS Units pursuant to the Proposed Distribution and who wish to trade such odd lots of CLAS Units on the SGX-ST are able to trade with a minimum size of one CLAS Unit on the Unit Share Market of the SGX-ST. Entitled Shareholders should note that the market for trading of odd lots of CLAS Units may be illiquid and trading in odd lots of CLAS Units may also incur a proportionately higher brokerage cost than trading in board lots of CLAS Units.

In this regard, the Company has arranged with DBS Vickers Securities (Singapore) Pte Ltd, Phillip Securities Pte Ltd and UOB Kay Hian Private Limited, (collectively, the “**Brokers**”) to facilitate Odd Lots Trades (as defined below) during the Applicable Period (term as defined below), which is expected to be from 12 May 2023 to 12 June 2023.

The term “**Odd Lots Trades**” shall mean (i) an aggregate of 99 or less CLAS Units bought in a single day; or (ii) an aggregate of 99 or less CLAS Units sold in a single day.

The brokerage fees (including any goods and services tax relating to such fees) in respect of Odd Lots Trades carried out via the Brokers during the Applicable Period will be borne by the Company. As such, holders of CLI CLAS Units will **NOT** be charged any brokerage fees for Odd Lots Trades during the Applicable Period (the “**Odd Lots Trading Brokerage Fee Arrangement**”).

For trades of 100 CLAS Units or more in aggregate in a single day, the usual brokerage fee applies.

By way of illustration:

- (a) if an Entitled Shareholder received 198 CLAS Units and wishes to buy 2 CLAS Units to round up to 200 CLAS Units, such holder of CLAS Units will be entitled to the Odd Lots Trading Brokerage Fee Arrangement and may do so on the trading platforms of the Brokers. For avoidance of doubt, the buy order can be made in multiple tranches but should not exceed 99 CLAS Units in a single day; or
- (b) if an Eligible Shareholder received 198 CLAS Units and wishes to sell 98 CLAS Units to round down to 100 CLAS Units, such holder of CLAS Units will be entitled to the Odd Lots Trading Brokerage Fee Arrangement and may do so on the trading platforms of the Brokers. For the avoidance of doubt, the sell order can be made in multiple tranches but should not exceed 99 CLAS Units in a single day.

**Entitled Shareholders should note that notwithstanding the Odd Lots Trading Brokerage Fee Arrangement, holders of CLAS Units will be required to continue to bear clearing fees and other regular trading fees imposed by the SGX-ST (including any goods and services tax relating to such fees), which shall be based on customary rates imposed from time to time.**

#### **5.8.2 Applicable Period for the Odd Lots Trading Brokerage Fee Arrangement**

The Odd Lots Trading Brokerage Fee Arrangement shall be available for a period of one calendar month from the date that the CLAS Units are credited to the Securities Account of the Entitled Shareholders (the “**Applicable Period**”). The Applicable Period is expected to be from 12 May 2023 to 12 June 2023. Any changes to the Applicable Period will be announced by the Company on SGXNET.

After the Applicable Period, the Odd Lots Trading Brokerage Fee Arrangement will no longer be applicable to any trades of odd lots of CLAS Units carried out by the Brokers.

#### **5.8.3 Account with Brokers**

Entitled Shareholders who intend to trade any odd lots of CLAS Units via the Brokers, or who intend to use the online trading platforms of the Brokers, should note that if they do not have an existing account with the relevant Broker, they must personally apply to open such an account with such Broker.

### **6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS IN THE PROPOSED DISTRIBUTION**

Save as disclosed in this letter, none of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed Distribution, other than through their respective direct

or indirect shareholdings and/or unitholdings (if any) in the Company and CLAS.

## **7. DIRECTORS' RECOMMENDATION**

Having considered the terms of and the rationale for the Proposed Distribution, the Directors are of the opinion that the Proposed Distribution is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 11 in relation to the Proposed Distribution at the forthcoming AGM.

## **8. ADDITIONAL INFORMATION**

The following documents are available for inspection at the registered office of the Company at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912, during normal business hours from the date of this letter up to the date of the AGM:

- (a) the annual report of the Company for FY2022;
- (b) CLI FY2022 Financial Results; and
- (c) the Constitution of the Company.