CAPITAMALLS ASIA LIMITED
Regn. No. 200413169H
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT

SHARED SERVICES AGREEMENT AND IT INFRASTRUCTURE AGREEMENT

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1. INTRODUCTION

CMA wishes to announce that it has today entered into the following agreements with **CapitaLand** for a period of one year commencing on 1 January 2011:

(i) the **Shared Services Agreement**; and

(ii) the **IT Infrastructure Agreement**

(collectively the "**Transactions**").

2. DETAILS OF INTERESTED PERSON

CapitaLand is one of Asia's largest real estate companies. Headquartered and listed in Singapore, the multi-local company's core businesses in real estate, hospitality and real estate financial services are focused in growth cities in Asia Pacific and Europe. **CapitaLand**'s real estate and hospitality portfolio, which includes homes, offices, shopping malls, serviced residences and mixed developments, spans more than 110 cities in over 20 countries. **CapitaLand** also leverages on its significant asset base, real estate domain knowledge, financial skills and extensive market network to develop real estate financial products and services in Singapore and the region.

As at the date of this announcement, **CapitaLand** has a direct interest in 2,544,020,000 **Shares**, representing approximately 65.5% of the total number of issued **Shares**. Accordingly, **CapitaLand** is a "controlling shareholder" and an "interested person" of **CMA** for purposes of Chapter 9 of the **Listing Manual**. The **Transactions** are therefore "interested person transactions" under Chapter 9 of the **Listing Manual**.

The initial public offering of CapitaMalls Asia Limited's shares was sponsored by J.P. Morgan (S.E.A.) Limited and DBS Bank Ltd.

3. RATIONALE

CMA and **CapitaLand** had originally signed a shared services agreement on 30 October 2009 and an agreement for use of CapitaLand IT infrastructure on 1 July 2010, both of which will expire on 31 December 2010 (the "**Existing Transactions**").

The **Transactions** will enable **CMA** to continue to leverage on **CapitaLand**'s business network and experience, as well as its multi-sector and geographic expertise.

With the **Transactions**, **CMA** will also be able to achieve greater operational and cost efficiencies by utilising various shared systems and services and achieving economies of scale through aggregated purchases and shared usage.

4. SHARED SERVICES AGREEMENT

Pursuant to the terms and conditions of the **Shared Services Agreement**, **CapitaLand** will provide to the **CMA Group** advisory and other services in relation to, amongst others, administration, information technology, human resource, tax, treasury, legal, secretariat, risk management, corporate communication services and marketing, operations compliance, design review and project management.

CapitaLand will recover its costs for the services provided under the **Shared Services Agreement** based on a formula which is consistently applied to its **SBUs** (including **CMA**). The allocation formula will take into account (a) the average of **CMA**'s total consolidated assets as at the beginning and at the end of the financial period; (b) the **SBUs**' manpower costs; and (c) the average of **CapitaLand**'s shareholding interest in **CMA** at the beginning and at the end of the financial period. The fee chargeable by **CapitaLand** will include a 5.0% mark-up to cover administrative costs unless varied by **CapitaLand** and **CMA** in compliance with statutory requirements. The fee as computed is subject to a minimum of S$2.5 million per annum. The fee chargeable by **CapitaLand** is on a cost-recovery basis and is consistent with the basis upon which its other **SBUs** are charged. **CMA** will pay the fees every quarter and will reimburse **CapitaLand** on a monthly basis for out of pocket expenses incurred by **CapitaLand** in the performance of the services under the **Shared Services Agreement**.

5. IT INFRASTRUCTURE AGREEMENT

Pursuant to the terms and conditions of the **IT Infrastructure Agreement**, **CapitaLand** will permit the **CMA Group** to use **CL's IT Infrastructure** for its business operations.

CapitaLand will recover its cost for the services provided under the **IT Infrastructure Agreement** based on a formula which is consistently applied to its **SBUs** (including **CMA**). The allocation formula will take into account (a) the capital expenditure required to upgrade and enhance **CL's IT Infrastructure** and the operating expenses associated with the maintenance and operations of **CL's IT Infrastructure**; (b) the component of **CL's IT Infrastructure** benefitting from the capital investment item or expense item; (c) the number of **SBUs** (including **CMA**) using that specific infrastructure component; and (d) the volume usage by each **SBU**. The fee chargeable by **CapitaLand** is on a cost-recovery basis and is consistent with the basis upon which its other **SBUs** are charged. **CMA** will pay the fee on a monthly basis.

6. AUDIT COMMITTEE STATEMENT

CMA's Audit Committee is of the view that the **Transactions** are entered into on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of **CMA** and its minority shareholders.

7. CURRENT TOTAL VALUE OF TRANSACTIONS WITH CAPITALAND FOR FINANCIAL YEAR ENDING 31 DECEMBER 2010

As at the date of this announcement, the total value of all interested person transactions of **CMA** (including the **Existing Transactions** but excluding the **Transactions**) is approximately S$734.7 million[1], which represents approximately 13.3% of **CMA Group**'s latest audited **NTA** as at 31 December 2009. This is inclusive of CMA's 50.0% interest of approximately S$664.8 million in the **BTC JV**, for which shareholders' approval was not required pursuant to Rule 916(2) of the Listing Manual. All of these interested person transactions are entered into by **CMA** with **CapitaLand** and/or the associates of **CapitaLand**.

As the fees and expenses payable by **CMA** to **CapitaLand** under each of the **Shared Services Agreement** and the **IT Infrastructure Agreement** are determined based on an allocation formula and paid to **CapitaLand** in arrears, the values of the **Transactions** cannot be determined as at the date of this announcement.

8. FINANCIAL EFFECTS

The **Transactions** are not expected to have any material effect on the consolidated earnings and net tangible assets per **Share** for the current financial year ending 31 December 2010.

9. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDER

As at the date of this announcement, certain directors of **CMA** collectively hold an aggregate direct and indirect interest in 2,051,000 **Shares** and 5,096,108 shares in **CapitaLand.**

Mr Liew Mun Leong is the non-executive chairman and a non-executive director of **CMA** and the president and chief executive officer of **CapitaLand**. Ms Chua Kheng Yeng Jennie is a non-executive director of **CMA** and the chief corporate officer of **CapitaLand**. Mr Lim Tse Ghow Olivier is a non-executive director of **CMA** and the group chief financial officer of **CapitaLand**. Mrs Arfat Pannir Selvam and Dr Fu Yuning are non-executive independent directors of **CMA** and non-executive independent directors of **CapitaLand**.

As at the date of this announcement, **CapitaLand** has a direct interest in 2,544,020,000 **Shares,** representing approximately 65.5% of the total number of issued **Shares.**

Save as disclosed above, and based on information available to **CMA** as at the date of this announcement, none of the directors or the controlling shareholder of **CMA** has any interest, direct or indirect, in the **Transactions.**

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[1] Excluding transactions less than S$100,000 but including CMA's 50.0% interest of approximately S$664.8 million in the BTC JV, for which shareholders' approval was not required pursuant to Rule 916(2) of the Listing Manual ("**Exempted Transaction**"). Please refer to CMA's announcement of 6 September 2010 for more details on the BTC JV. The aggregate value of all interested persons transactions of CMA excluding transactions less than S$100,000 and excluding **Exempted Transaction** is S$69.9 million, which represents approximately 1.3% of **CMA Group**'s latest audited **NTA** as at 31 December 2009.

By Order of the Board

Kannan Malini
Company Secretary
28 December 2010

Definitions:

BTC JV	The joint venture between CMA and CapitaLand in relation to the Bedok Town Centre site
CapitaLand	CapitaLand Limited
CapitaLand Group	CapitaLand and its subsidiaries
CMA	CapitaMalls Asia Limited
CMA Group	CMA and its subsidiaries
CL's IT Infrastructure	IT infrastructure of CapitaLand and its SBUs
IT Infrastructure Agreement	The Agreement for Use of CapitaLand IT Infrastructure entered into between CapitaLand and CMA on 28 December 2010
Listing Manual	The listing manual of the SGX-ST
NTA	Net tangible assets
SBUs	Strategic business units of CapitaLand (excluding Australand which does not receive shared services)
Shares	Ordinary shares in the capital of CMA
Shared Services Agreement	The shared services agreement entered into between CapitaLand and CMA on 28 December 2010
SGX-ST	Singapore Exchange Securities Trading Limited