CAPITAMALLS ASIA LIMITED

(Company Registration No.: 200413169H)
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT

ACQUISITION OF 17.1% INTEREST IN RAFFLES CITY CHANGNING AND ENTRY INTO JOINT VENTURE

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1. INTRODUCTION

1.1 Acquisition of 17.1% Interest in Raffles City Changning

CMA wishes to announce that its wholly-owned subsidiary, **Better Value**, has on 30 December 2010 entered into a **Deed of Sale and Purchase**, to acquire an 18.0% shareholding interest in **Senning** from **Longtex**, an indirect wholly-owned subsidiary of **CapitaLand**. **Senning** owns a 95.0% equity interest in **Shanghai Orient**, a company incorporated in the **PRC**, and **Shanghai Orient** in turn owns the **Property**.

Pursuant to the **Deed of Sale and Purchase**, **Better Value** and two other parties unrelated to **CMA** (collectively, the "**Purchasers**") will acquire a 73.0% shareholding interest in **Senning** from **Longtex**. **Senning** is a company incorporated in the British Virgin Islands and is, as at the date of this announcement, wholly-owned by **Longtex**.

Following the Acquisition, **Better Value** will acquire an effective interest of 17.1% in the **Property**. Longtex will hold a 27.0% shareholding interest in **Senning**.

The **Property** will be known as "Raffles City Changning" and will be developed into an integrated mixed development that will comprise, *inter alia*, retail, office and residential units for strata sale.

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

The details of the **Property** are as follows:

Name	Raffles City Changning
Location	Bordered by Kaixuan Road and Changning Road, in Changning District, Shanghai, the **PRC**
Year of expiry of land tenure	50 years, until Year 2055
Site area	60,845.1 **sq m**
GFA	237,327* **sq m**

*GFA is estimated and subject to change.

1.2 Entry into Joint Venture

In connection with the **Acquisition**, **Better Value** has also on 30 December 2010 entered into a **Joint Venture** with the Purchasers and **Longtex**.

Better Value will invest approximately **S$**187.2 million for its 18.0% shareholding interest in **Senning**, which amount is subject to post-completion adjustment and was arrived at based on a willing buyer-willing seller basis, taking into account, among other factors, the agreed land value of the Raffles City Changning site at **RMB**5,339,857,500 (approximately **S$**1,058 million), reflecting the appraised value of **RMB**5,340,000,000 (approximately **S$**1,058 million) undertaken by an independent valuer commissioned by **Shanghai Orient**.

Under the terms of the **Deed of Sale and Purchase**, **CMA**'s investment of approximately **S$**187.2 million will be payable in three instalments, being 30.0% to be paid ten business days after the date of the **Deed of Sale and Purchase**, 30.0% to be paid in April 2011 and the remaining 40.0% to be paid in July 2011.

2. RATIONALE

The **Acquisition** is made pursuant to the Collaboration Agreement dated 30 October 2009 entered into between **CapitaLand** and **CMA**, whereby **CapitaLand** has offered **CMA** the opportunity to jointly develop the **Property**.

With this **Acquisition** and entry into **Joint Venture**, **CMA** would be able to increase its exposure to Shanghai, a first-tier city in China and invest in a Raffles City-brand project which will be developed by **CapitaLand**.

3. INTERESTED PERSON TRANSACTION

Longtex is an indirect wholly-owned subsidiary of **CapitaLand**.

As at the date of this announcement, **CapitaLand** is a "controlling shareholder" of **CMA** under the **Listing Manual**, and is accordingly (for the purposes of Chapter 9 of the **Listing Manual**) an "interested person" of **CMA**. The **Acquisition** and the **Joint Venture** are therefore considered "interested person transactions" under Chapter 9 of the **Listing Manual**.

4. METHOD OF FINANCING AND FINANCIAL EFFECTS

CMA intends to fund the **Acquisition** by internal funds and external borrowings. The transaction is not expected to have any material effect on the consolidated earnings per **Share** and the net tangible assets per **Share** for the current financial year ending 31 December 2010.

5. AUDIT COMMITTEE STATEMENT

The audit committee of **CMA** is of the view that the risks and rewards of the **Acquisition** and the **Joint Venture** are in proportion to the equity of **CMA** and **CapitaLand** and the terms of the **Acquisition** and the **Joint Venture** are not prejudicial to the interests of **CMA** and its minority **Shareholders**.

6. OTHER INTERESTED PERSON TRANSACTIONS

As at the date of this announcement, the total value of all interested person transactions of **CMA** is approximately **S$**734.7 million[1] (not including, for the avoidance of doubt, the **Acquisition** and the **Joint Venture**), which represents approximately 13.3% of the **Group's** latest audited net tangible assets as at 31 December 2009. This is inclusive of **CMA**'s 50.0% interest of approximately **S$**664.8 million in the joint venture between **CMA** and **CapitaLand** in relation to the Bedok Town Centre site, 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**.

[1] Excluding transactions less than S$100,000 but including **CMA**'s 50.0% interest of approximately **S$**664.8 million in the joint venture between **CMA** and **CapitaLand** in relation to the Bedok Town Centre site ("**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 with **CapitaLand Group** excluding transactions less than S$100,000 and excluding **Exempted Transactions** is **S$**69.9 million, which represents approximately 1.3% of **CMA Group**'s latest audited net tangible assets as at 31 December 2009.

7. INTERESTS 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 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 issued existing **Shares.**

Save as disclosed in this announcement, and based on information available to **CMA** as at the date of this announcement, none of the directors of **CMA** or controlling **Shareholders** have an interest, direct or indirect, in the **Acquisition** or the **Joint Venture**.

By Order of the Board

Kannan Malini
Company Secretary
30 December 2010

<u>Definitions:</u>

Acquisition	:	The acquisition by CMA of a 18.0% shareholding interest in Senning from Longtex
Associate	:	Shall have the same meaning ascribed to it in the Listing Manual
Better Value		Better Value Holdings Limited
CapitaLand	:	CapitaLand Limited
CMA	:	CapitaMalls Asia Limited
Deed of Sale and Purchase	:	Deed of Sale and Purchase dated 30 December 2010 entered into between Longtex and the Purchasers
GFA	:	Gross Floor Area

Group	:	CMA and its subsidiaries
Joint Venture	:	The joint venture between the Purchasers and Longtex in connection with the Acquisition
Joint Venture Parties	:	The Purchasers and Longtex
Listing Manual	:	The Listing Manual of the Singapore Exchange Securities Trading Limited
Longtex	:	Longtex Investment Limited
PRC	:	The People's Republic of China
Property	:	The integrated commercial mix-use development located in Shanghai, the PRC, details of which are set out in paragraph 1.1 above
Senning	:	Senning Property Ltd.
Shanghai Orient	:	Shanghai Orient Overseas Kaixuan Real Estate Co., Ltd.
Share	:	Ordinary shares in the capital of CMA
Shareholder	:	A holder of Share(s)
sq m	:	Square metre

Currencies:

RMB	:	Renminbi
S$	:	Singapore dollars

Where applicable, figures and percentages are rounded to one decimal place.