CAPITALAND LIMITED

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

ANNOUNCEMENT

ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL OF ORIENT OVERSEAS DEVELOPMENTS LIMITED

1. Introduction

CapitaLand Limited ("**CapitaLand**") wishes to announce that its indirect wholly-owned subsidiary, CapitaLand China (RE) Holdings Co., Ltd., (the **"Purchaser"**) had on 18 January 2010 signed a conditional Share Sale and Purchase Agreement ("**SPA"**) with Orient Overseas (International) Limited (the "**Vendor**") to purchase the entire issued share capital comprising 10,000 ordinary shares of HK$10 each (the "**Shares**") of Orient Overseas Developments Limited (**"OODL")** and the assignment and transfer of a shareholder's loan due from OODL to the Vendor (the "**Acquisition**").

OODL is a property investment holding company incorporated in Hong Kong and through its subsidiaries, conducts property development and investment with a primary focus on opportunities in the Greater Shanghai and Tianjin, PRC. OODL, through its subsidiaries, owns a portfolio of seven sites in Shanghai, Kunshan and Tianjin, PRC comprising pipeline projects of approximately 1.48 million square meters of gross floor area of which approximately half is residential, with the balance being office, retail and serviced residences/hotel (the "**Portfolio**").

2. Rationale

The Acquisition is in line with CapitaLand's strategy to further strengthen its presence in PRC. It is an excellent strategic fit with CapitaLand's PRC business as more than 87% of the gross floor area of the Portfolio is in the greater Shanghai area with the balance 13% in Tianjin city centre. The Portfolio comprises high quality sites in prime locations, either next to or near mass rapid transit (MRT) stations. The majority of the sites have planning and land use approval while some sites have construction permits in place.

3. Consideration and Completion

The aggregate consideration payable by the Purchaser for the Acquisition is US$2.2 billion (approximately S$3.1 billion) (the "**Consideration**") which includes the assignment and transfer of a shareholder's loan due from OODL to the Vendor of US$1.046 billion (approximately S$1.5 billion) (the "**Shareholder's Loan**"). The Consideration was arrived at on a "willing-buyer willing-seller" basis taking into account, inter alia, the value of the Portfolio of approximately US$2.0 billion (approximately S$2.8 billion). The Consideration will be funded by internal resources and paid in full, in cash, on completion, which is expected to take place by 31 March 2010 (the "**Completion**"). Based on the CapitaLand Group's net D/E ratio of 0.35 as at 30 September 2009 and after adjusting for the net proceeds from the IPO of CapitaMalls Asia Limited of S$2.7 billion and assuming the Acquisition was completed on 30 September 2009, the proforma net D/E ratio would be 0.30 and the proforma cash balance would be approximately S$5.5 billion.

Upon Completion, OODL will become an indirect wholly-owned subsidiary of CapitaLand**.**

As at 31 December 2009, the unaudited net book value of the Shares and the Shareholders' Loan was approximately US$1.1 billion (approximately S$1.5 billion).

4. Material Conditions Precedent

Completion is subject to fulfillment of conditions precedent in the SPA including, inter alia:

(a) the Vendor, which is a company listed on the Hong Kong Stock Exchange, obtaining its shareholders' approval in accordance with the Hong Kong Stock Exchange Listing Rules. The controlling shareholder of the Vendor has provided its written approval approving the transaction. As such, no general meeting of the shareholders of the Vendor will be required to be convened to approve the transaction.

(b) the Purchaser not being entitled, under the terms of the SPA, to terminate the SPA at Completion for breach of warranties. However, under the terms of the SPA, the Purchaser may terminate the SPA at Completion for breach of warranties where the amount recoverable by the Purchaser would exceed US$50 million (approximately S$70 million) or where the breach of warranty relates to the ownership of the Shares or the rights in respect of the Shareholder's Loan.

5. Other Material Terms of the SPA

It is expected that the employees currently engaged in the businesses of the OODL Group will remain with the OODL Group after Completion.

Pursuant to the terms of the SPA, if, after Completion, the OODL Group receives from the relevant government authorities in the PRC an “idle land” notice under the relevant idle land regulations of the PRC to seize or repossess the OODL Group’s current property located on Heng Shan Road in the Xuhui District, Shanghai PRC (the “**Heng Shan Road Site**”), subject to Completion having taken place, the Purchaser will be entitled to give notice to the Vendor requiring the Vendor to pay to the Purchaser a sum of RMB500 million (approximately S$102.9 million) and in return the Purchaser will transfer back to the Vendor all equity interests in all members of the OODL Group which hold the equity interests in the Heng Shan Road Site. The Purchaser’s right in relation to the Heng Shan Road Site will cease upon a construction permit having been issued in relation to the Heng Shan Road Site or if the relevant governmental authorities issue confirmation that the Heng Shan Road Site is no longer regarded as idle land.

Under the SPA, the Vendor has provided certain representations, warranties and indemnities in relation to inter alia, the properties, assets and tax position of and relating to the current and completed projects within the OODL Group.

6. Financial Effects

Based on the audited consolidated financial statements of the CapitaLand Group for the year ended 31 December 2008:

(a) assuming that the Acquisition had been effected on 1 January 2008, the financial impact on the earnings per share is not material; and

(b) assuming that the Acquisition had been effected on 31 December 2008, the financial impact on the net tangible asset per share is not material.

7. Discloseable Transaction

The relative figures computed on the bases set out in Rules 1006(b) and 1006(c) of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

(a) Rule 1006(b)

OODL has incurred a loss before income tax, minority interests and extraordinary items of US$16.1 million (approximately S$22.6 million) for the 9 months ended 30 September 2009. Based on the latest announced consolidated financial statements of the CapitaLand Group for the period ended 30 September 2009, the net profits before income tax, minority interests and extraordinary items for the CapitaLand Group was S$169.7 million. As OODL has incurred a loss, the ratio in Rule 1006(b) is not meaningful.

(b) Rule 1006(c)

The Consideration is equivalent to 17% of CapitaLand's market capitalisation of S$18.18 billion based on the last transacted price of CapitaLand's shares transacted on 15 January 2010, being the last market day preceding the date of the SPA.

8. Interests of Directors and Controlling Shareholder

None of the Directors or the controlling shareholder of CapitaLand has any interest, direct or indirect, in the above transaction.

9. Documents Available For Inspection

A copy of the SPA is available for inspection by CapitaLand's shareholders during normal business hours at CapitaLand's registered office for a period of three months from the date of this Announcement.

By Order of the Board

Low Sai Choy
Company Secretary
18 January 2010