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CAPITAMALLS ASIA LIMITED

凱德商用產業有限公司*

(Singapore Company Registration Number: 200413169H)
(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong Stock Code: 6813)
(Singapore Stock Code: JS8)

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 2013:

(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

* *For identification purposes only*

estate financial products and services in Singapore and the region. The listed entities of the CapitaLand Group include Australand, **CMA**, CapitaMall Trust, CapitaCommercial Trust, Ascott Residence Trust, CapitaRetail China Trust, CapitaMalls Malaysia Trust and Quill Capita Trust.

As at the date of this announcement, **CapitaLand** holds a direct interest of approximately 65.44% 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**.

3. RATIONALE

CMA and **CapitaLand** had originally signed a shared services agreement on 30 October 2009 and an agreement for use of **CL's IT infrastructure** on 1 July 2010, both of which had expired on 31 December 2010. These were renewed on 28 December 2010 and expired on 31 December 2011, and were again subsequently renewed on 29 December 2011 (the "**Existing Transactions**"). The **Existing Transactions** will expire on 31 December 2012.

The **Transactions** have been renewed on substantially the same terms and 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

The Audit Committee of **CMA**, comprising Mr Yap Chee Keong, Mr Sunil Tissa Amarasuriya and Professor Tan Kong Yam, is of the view that the **Transactions** are entered into 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 FY2012

As at the date of this announcement, the total value for all interested person transactions of **CMA** and its entities at risk (as defined in Chapter 9 of the **Listing Manual**) with **CapitaLand** and its subsidiaries and associates for the period from 1 January 2012 to the date of this announcement (including the **Existing Transactions** but excluding the **Transactions**) is approximately S$207.6 million, which represents approximately 3.2% of the latest audited **NTA** of **CMA**.

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 aggregate values of the **Transactions** cannot be determined as at the date of this announcement.

Further, as the total value for all interested person transactions of **CMA** with **CapitaLand** and its subsidiaries and associates (excluding transactions less than S$100,000) as set out above has already exceeded the relevant threshold of 3.0% of the latest audited **NTA** of **CMA**, under Rule 905(2) of the **Listing Manual**, **CMA** is required to make this immediate announcement of the **Transactions** in accordance with the requirements of Chapter 9 of the **Listing Manual**.

8. FINANCIAL EFFECTS

The **Transactions** are not expected to have any material effect on the consolidated earnings and **NTA** per **Share** for **FY2012**.

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 3,133,258 **Shares** and 6,389,805 shares in **CapitaLand**.

Mr Liew Mun Leong is the Chairman and a director of **CMA**, and the President, Chief Executive Officer and a director of **CapitaLand.** Mr Lim Ming Yan is a director of **CMA** and the Chief Operating Officer of **CapitaLand**. Mr Lim Tse Ghow Olivier is a director of **CMA** and the Chief Investment Officer of **CapitaLand.** Mrs Arfat Pannir Selvam and Tan Sri Amirsham A Aziz are both directors of **CMA** and **CapitaLand**.

As at the date of this announcement, **CapitaLand** has a direct interest of approximately 65.44% of the 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 or controlling shareholders of **CMA** has any interest, direct or indirect, in the **Transactions**.

Definitions:

CapitaLand	CapitaLand Limited
CapitaLand Group	CapitaLand and its subsidiaries
CMA	CapitaMalls Asia Limited
CMA Group	CMA and its subsidiaries
CL's IT Infrastructure	Information technology infrastructure of CapitaLand and its SBUs
FY2012	Financial year ending 31 December 2012
IT Infrastructure Agreement	The IT Infrastructure Agreement entered into between CapitaLand and CMA on 28 December 2012
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 2012
SGX-ST	Singapore Exchange Securities Trading Limited

BY ORDER OF THE BOARD
CapitaMalls Asia Limited
Choo Wei-Pin
Company Secretary

Singapore, 28 December, 2012

As at the date of this announcement, the board of directors of the Company comprises Mr Liew Mun Leong as Chairman and non-executive director; Mr Lim Beng Chee as executive director; Mr Lim Ming Yan, Ms Chua Kheng Yeng Jennie and Mr Lim Tse Ghow Olivier as non-executive directors; and Mr Sunil Tissa Amarasuriya, Tan Sri Amirsham A Aziz, Dr Loo Choon Yong, Mrs Arfat Pannir Selvam, Professor Tan Kong Yam and Mr Yap Chee Keong as independent non-executive directors.