CAPITALAND LIMITED

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

ANNOUNCEMENT

CHANGE OF INTEREST IN ACRJ3 PTE. LTD.

CapitaLand Limited ("**CapitaLand**") wishes to announce the following:

(I) The Acquisition

CRL Investment Pte Ltd ("**CRL**") has acquired 700 ordinary shares and 1,352 preference shares (the "**2,052 Shares**"), representing 70% of the total issued ordinary shares and preference shares in ACRJ3 Pte. Ltd. ("**ACRJ3**") respectively, from ArcResidential Japan Investments Limited ("**AJI**") for a cash consideration of S$700 and ¥1 respectively (the "**Acquisition**") which was arrived at on a willing-buyer willing-seller basis. AJI is a party unrelated to CapitaLand.

ACRJ3 was incorporated as part of the restructuring of ARC-CapitaLand Residences Japan Private Limited ("**ACRJ**") to hold a portfolio of rental apartments in Japan transferred from ACRJ. The valuation of the portfolio as at 31 December 2011 was ¥9.9 billion (approximately S$152.4 million). Based on this valuation, the carrying value (net asset value) of the 2,052 Shares was ¥1.8 billion (approximately S$28.4 million).

The other shareholder of ACRJ3 is CapitaLand Singapore Management Limited ("**CSML**"). CSML holds 300 ordinary shares and 580 preference shares (the "**880 Shares**"), representing 30% of the total issued ordinary and preference shares in ACRJ3 respectively. The 880 Shares are held in trust by CSML for CRL and GPH Investments Pte Ltd ("**GI**") in the proportions of 17/27 and 10/27 respectively.

CRL and CSML are wholly-owned subsidiaries of CapitaLand while GI is a party unrelated to CapitaLand. Prior to the Acquisition, CapitaLand's effective interest in ACRJ3 was 18.89%.

Following the Acquisition, CapitaLand's effective interest in ACRJ3 has increased from 18.89% to 88.89%. ACRJ3 has become a subsidiary of CapitaLand and the following wholly-owned subsidiaries of ACRJ3 have also become subsidiaries of CapitaLand:

(i) ACRJ3 Investments Pte. Ltd., a company incorporated in Singapore;
(ii) RAV Three Pte Ltd, a company incorporated in Singapore; and
(iii) ARC-CapitaLand Three Tokutei Mukuteki Kaisha, a company incorporated in Japan.

(II) <u>The Subscriptions and Allotments</u>

Following the Acquisition, ACRJ3 has also increased its share capital in the following manner:

(a) CRL has subscribed for and been allotted 1,651 new preference shares in ACRJ3 for a cash consideration of ¥165.1 million (approximately S$2.5 million) (the "**CRL Allotment**"); and

(b) CSML has subscribed for and been allotted 707 new preference shares in ACRJ3 ("**707 Shares**") for a cash consideration of ¥70.7 million (approximately S$1.1 million) (the "**CSML Allotment**"). The 707 Shares are held in trust by CSML for CRL and GI in the proportions of 17/27 and 10/27 respectively. CRL and GI have paid for these new preference shares in their respective proportions.

ACRJ3 will use the cash raised from the CSML Allotment and the CRL Allotment for refinancing purposes.

Following the CSML Allotment and the CRL Allotment, the issued and paid-up shares of ACRJ3 comprise 1,000 ordinary shares and 4,290 preference shares. CapitaLand's effective interest in ACRJ3 remains unchanged at 88.89%.

The above transactions are not expected to have any material impact on the net tangible assets or earnings per share of the CapitaLand Group for the financial year ending 31 December 2012.

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

By Order of the Board

Low Sai Choy
Company Secretary
18 May 2012