CAPITALAND LIMITED

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

ANNOUNCEMENT

SECONDARY PLACEMENT OF 115.66 MILLION STAPLED SECURITIES IN AUSTRALAND PROPERTY GROUP

Terms defined in the announcement on 20 November 2013 shall bear the same meanings where used herein.

Further to its announcement on 20 November 2013, CapitaLand Limited ("CapitaLand") wishes to announce that its wholly–owned subsidiaries, Austvale Holdings Ltd and Ausprop Holdings Limited, have sold an aggregate of 115.66 million Securities of Australand Property Group ("Australand") in the Secondary Placement exercise launched on 20 November 2013 and conducted by Citi. The sale was to a range of institutional investors.

The Secondary Placement size represents approximately 20% of the stapled securities on issue of Australand and was priced at A$3.685 per Security which represents a 1.7% discount to the closing price of Australand's stapled securities on 20 November 2013.

The Secondary Placement is expected to be completed on 26 November 2013, being three working days after the sale (the "Completion"). Upon Completion, CapitaLand's interest in Australand will be reduced from 59.1% (comprising 341,885,375 stapled securities) to 39.1% (comprising 226,225,375 stapled securities), and Australand will become an associated company of CapitaLand.

CapitaLand's remaining 39.1% interest in Australand will be subject to a 180-day lock-up ("lock up-period") from Completion, except for transfers under certain circumstances. These circumstances are as follows:

1. to satisfy any demand from eligible security holders of Australand under the distribution reinvestment plan of Australand;

2. to accept any bona fide takeover offer for Australand in accordance with Chapter 6 of the Corporations Act or to transfer pursuant to a scheme of arrangement under Part 5.1 of the Corporations Act of Australia or equivalent transaction;

3. to carry out any sale, transfer or disposal to a third party which is acquiring as part of a transaction greater than 50% of all stapled securities of Australand; and

4. to carry out any sale, transfer or disposal to a strategic third party purchaser which will be similarly bound by the lock up covenant for the residual lock-up period.

CapitaLand's remaining 39.1% interest in Australand remains a key investment for CapitaLand and will still be the single largest key investment for CapitaLand outside its two core markets of Singapore and China.

The Secondary Placement broadens Australand's securityholder base and will potentially improve the liquidity and free float of its securities, as well as unlock value for CapitaLand's shareholders.

CapitaLand expects to redeploy the proceeds of A$426.2 million (approximately S$485.3 million) from the sale towards new opportunities in CapitaLand's core markets of Singapore and China and for general working capital purposes.

The book value of the Securities based on the unaudited consolidated financial statements of CapitaLand Group for the financial period ended 30 September 2013 was S$471.6 million. The Secondary Placement will result in a divestment gain of S$8.8 million and a fair value gain of S$26.6 million on re-measurement of the remaining stake. The Secondary Placement will also result in the recognition of foreign currency translation losses and interest rate hedging reserves of S$162.9 million. In accordance with the applicable accounting standards, the full amount of the foreign currency translation losses and interest rate hedging reserves associated with CapitaLand's 59.1% stake in Australand that were previously recorded in equity is required to be taken to profit and loss upon the de-consolidation of Australand. This will result in a loss of approximately S$127.5[1] million taking into consideration the divestment gain, fair value gain and the one-time accounting loss arising from the recognition of foreign currency translation losses and hedging reserves. The loss is not expected to have any material impact on CapitaLand Group's net tangible assets per share as the reserves are already accounted for in the equity of the CapitaLand Group.

Based on the unaudited consolidated financial statements of CapitaLand Group for the financial period ended 30 September 2013:

(i) assuming that the Secondary Placement was effected on 1 January 2013, the earnings per share for CapitaLand Group for the period ended 30 September 2013 would have decreased from 16.6 cents to 13.0 cents; and

(ii) assuming that the Secondary Placement was effected on 30 September 2013, the financial impact on CapitaLand Group's net tangible assets per share as at 30 September 2013 would not be material.

By Order of the Board

Ng Chooi Peng
Assistant Company Secretary
21 November 2013

[1] The actual financial impact can only be determined on Completion. For the purpose of this announcement, the fair value of CapitaLand's remaining stake in Australand is assumed to be the value determined based on the sale price in the Secondary Placement.