CAPITALAND LIMITED

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

ANNOUNCEMENT

ACQUISITION OF THE REMAINING REDEEMABLE PREFERENCE SHARES IN CAPITALAND CHINA DEVELOPMENT FUND PTE. LTD.

CapitaLand Limited ("**CapitaLand**") wishes to announce that its wholly-owned subsidiary, CapitaLand China Holdings Pte Ltd ("**CLC**") has acquired the remaining redeemable preference shares ("**RPS**") in CapitaLand China Development Fund Pte. Ltd. ("**CCDF**") representing 62.5% of the total issued redeemable preference share capital of CCDF (the "**Acquired Shares**") from the existing external shareholders of CCDF (the "**Sellers**"), for an aggregate cash consideration of US$50.8 million (approximately S$69.7 million) (the "**Consideration**").

Prior to the acquisition of the Acquired Shares (the "**Acquisition**"), CLC owned RPS representing 37.5% of the total issued redeemable preference share capital of CCDF and through CLC's wholly-owned subsidiary, CapitaLand China Development Fund Management Pte. Ltd., owned all of the ordinary shares in CCDF. Following the Acquisition, CCDF has become a wholly-owned subsidiary of CapitaLand.

CCDF, through its group of companies, invests in residential development projects in the People's Republic of China. The full ownership of CCDF will allow CLC to have full control over the business strategy and operations at these projects.

The consolidated net asset value of the Acquired Shares, excluding cash advanced by CCDF to the Sellers, is US$37.9 million (approximately S$51.0 million) as at 30 June 2015 (the "**Consolidated NAV**").

The Consideration was negotiated through an arm's length process and agreed on a willing-buyer willing-seller basis, taking into account, amongst other things, the Consolidated NAV and the financial performance of the CCDF group of companies.

Arising from the Acquisition, CapitaLand is expected to recognise a net gain of approximately S$18 million, arising mainly from the realisation of foreign currency translation reserve.

By way of illustration, based on the unaudited consolidated financial statements of CapitaLand Group as at 31 March 2015:

(i) assuming that the Acquisition was effected on 1 January 2015, the financial impact on the earnings per share for CapitaLand Group for the period ended 31 March 2015 would be an increase from 3.8 Singapore cents to 4.2 Singapore cents; and

(ii) assuming that the Acquisition was effected on 31 March 2015, the financial impact on CapitaLand Group's net tangible assets per share would not be material.

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

By Order of the Board

Michelle Koh
Company Secretary
31 July 2015