CAPITALAND LIMITED

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

ANNOUNCEMENT

**LEGAL ACTION BROUGHT AGAINST
EIGHT (8) CONSENTING SUBSIDIARY PROPRIETORS
(OWNING FOUR (4) UNITS)
OF GILLMAN HEIGHTS CONDOMINIUM**

We refer to the press releases and announcement by CapitaLand Limited ("CapitaLand") on 6 February 2007, 21 December 2007 and 15 February 2008 relating to the proposed acquisition of Gillman Heights Condominium ("Gillman Heights") by CapitaLand through its indirectly-owned associated company, Ankerite Pte. Ltd. ("Ankerite"). The shareholders of Ankerite are CapitaLand's indirect wholly-owned subsidiary CRL Realty Pte Ltd (50%), with the balance shareholding held by HPL Orchard Place Pte Ltd and two private funds.

By a Collective Sale Agreement dated 26 June 2006 (the "CSA"), subsidiary proprietors representing not less than 80% of the share values of Gillman Heights agreed to its en-bloc sale (the "Consenting Owners"), pursuant to which a Sale and Purchase Agreement dated 5 February 2007 (the "S&P") was signed. Accordingly, the Sales Committee of Gillman Heights, representing the Consenting Owners (including the 8 Consenting Owners referred to below), applied to the Strata Titles Board for approval of the en-bloc sale. Approval was granted by the Strata Titles Board on 21 December 2007 (the "STB Approval").

On 11 February 2008, a group of eight (8) subsidiary proprietors (owning 4 units in Gillman Heights) (the "8 Consenting Owners") filed an application to the Singapore High Court, by way of Originating Summons No. 192 of 2008/T, seeking, amongst others, declarations that the CSA and S&P had terminated and that the Strata Titles Board had no jurisdiction to approve the en-bloc sale (collectively, the "Challenge"). The 8 Consenting Owners had previously consented to the en-bloc sale and applied to the Strata Titles Board, through the Sales Committee of Gillman Heights, for approval of such en-bloc sale.

In the light of the Challenge, on 20 February 2008, upon consultation with and through its lawyers, Ankerite commenced legal proceedings in the Singapore High Court against the 8 Consenting Owners for, amongst others, the following reliefs:-

(a) a declaration that the 8 Consenting Owners have acted in breach of their contractual obligations, including in particular, the obligations to act in accordance with the CSA, to abide by the decision of the Strata Titles Board, and not to do anything detrimental to the satisfaction of any of the terms of the S&P;

(b) a declaration that the 8 Consenting Owners are bound by the STB Approval;

(c) a declaration that the Challenge by the 8 Consenting Owners constitutes an abuse of process; and

(d) further or alternatively, an order for damages for breach of contract against the 8 Consenting Owners.

Further details will be announced as and when appropriate.

By Order of the Board

Low Sai Choy
Company Secretary
20 February 2008