CAPITALAND LIMITED

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

ANNOUNCEMENT

SALE OF STAKE IN CENTRAL INVESTMENTS (BVI) GROUP LIMITED

CapitaLand wishes to announce that Ascott Holding (China) has entered into a conditional sale and purchase agreement (the "**Agreement**") to sell its 100% stake in Central BVI to Ascott China Fund (the "**Divestment**"). CapitaLand has a 33% indirect interest in Ascott China Fund.

Central BVI, through its wholly-owned subsidiaries, Central HK and Central Xi'an, owns the buildings at No. 119 Zhubashi, Beilin District, Xi'an, the People's Republic of China (the "**Property**") which is currently operated as the serviced residence known as "Citadines Xi'an Central" and managed by Ascott Shanghai.

The aggregate cash consideration for the Divestment (the "**Consideration**") is US$14.3 million (approximately S$21.5 million), subject to post-completion adjustment. The Consideration was arrived at on a willing-buyer willing-seller basis, taking into account, amongst other factors:

(a) the adjusted net asset value of Central BVI as at 28 February 2009 plus a deemed cost of funding of the acquisition of the Property, amounted to approximately US$0.1 million (approximately S$0.1 million). This has taken into consideration the independent valuation of the Property (conducted by Knight Frank Petty Limited and commissioned by Ascott Holding China) at RMB139 million (approximately S$30.7 million) as at 28 February 2009; and

(b) the assignment to Ascott China Fund of a total loan amount of US$14.2 million (approximately S$21.4 million) owing by Central HK, to Ascott Holding China.

Pursuant to the Agreement, 30% of the Consideration has been paid by Ascott China Fund as deposit following the execution of the Agreement. The balance 70% of the Consideration will be paid upon the completion of the Divestment.

Completion of the Divestment (the "**Completion**") is expected to take place within three months from the execution of the Agreement and is subject to, inter alia, satisfactory due diligence and necessary approvals and consents to be obtained. Following the Divestment, CapitaLand's interest in Central BVI, Central HK and Central Xi'an will be reduced from 100% to 33%, and they will cease to be wholly-owned subsidiaries and become associated companies of CapitaLand. The Property will continue to operate as "Citadines Xi'an Central" and be managed by Ascott Shanghai.

Upon the Completion, CapitaLand will recognise in its Group consolidated accounts a gain of approximately S$2.8 million. Based on the unaudited consolidated financial statements of CapitaLand for the three months ended 31 March 2009:

(a) assuming the Divestment was effected on 1 January 2009, CapitaLand's earnings per share would have increased from 1.2 cents to 1.3 cents; and

(b) assuming the Divestment was effected on 31 March 2009, the financial impact on CapitaLand'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 Divestment.

Definitions:

Ascott China Fund	Ascott Serviced Residence (China) Fund
Ascott Holding China	Ascott Holding (China) Limited, an indirect wholly-owned subsidiary of CapitaLand
Ascott Shanghai	Ascott Property Management (Shanghai) Co., Ltd, an indirect wholly-owned subsidiary of CapitaLand
CapitaLand	CapitaLand Limited
Central BVI	Central Investments (BVI) Group Limited, an indirect wholly-owned subsidiary of CapitaLand
Central HK	Central Investments (Hong Kong) Limited, an indirect wholly-owned subsidiary of CapitaLand
Central Xi'an	Shaanxi Drum Tower Hotel Co., Ltd, an indirect wholly-owned subsidiary of CapitaLand

By Order of the Board

Low Sai Choy
Company Secretary
19 May 2009