CAPITALAND LIMITED

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

ANNOUNCEMENT

CONSOLIDATION OF INTERESTS IN ASCOTT RESIDENCE TRUST AND INCREASE IN SHARE CAPITAL OF THE ASCOTT LIMITED

CapitaLand Limited ("**CapitaLand**") wishes to announce that it has rationalised and consolidated (the "**Consolidation**") its holding of units in Ascott Residence Trust ("**Ascott Reit**") by transferring (the "**Transfer**") its entire interest in Somerset Capital Pte Ltd ("**SCPL**") to The Ascott Limited ("**TAL**").

CapitaLand has an interest of 47.74% (comprising 295,798,484 units) in Ascott Reit through its wholly-owned subsidiaries, SCPL holding 18.33% (comprising 113,569,202 units), TAL holding 26.77% (comprising 165,843,426 units) and Ascott Residence Trust Management Limited ("**ARTML**") holding 2.64% (comprising 16,385,856 units). Prior to the Transfer, SCPL and TAL were directly owned by CapitaLand and ARTML was directly owned by TAL. Following the Transfer, TAL is directly owned by CapitaLand while SCPL and ARTML are directly owned by TAL.

The Consolidation was to align the asset ownership of CapitaLand's serviced residence business under TAL. It would also help the CapitaLand Group achieve more focused and effective management of its serviced residence assets and hospitality business.

In consideration for the Transfer, TAL has issued additional 190,483,702 new TAL ordinary shares to CapitaLand at the group cost of S$233,039,002.98. TAL's total issued shares have thereby increased from 1,810,437,298 ordinary shares to 2,000,921,000 ordinary shares.

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 2010.

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
13 August 2010