CAPITALAND LIMITED

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

ANNOUNCEMENT

DIVESTMENT OF CITADINES ASHLEY HONGKONG AND THE COMPANY MANAGING THE PROPERTY

CapitaLand Limited ("**CapitaLand**") wishes to announce the divestment of the serviced residence property known as "Citadines Ashley Hongkong" in Tsim Sha Tsui Hong Kong (the "**Property**") and the company managing the Property (together, the "**Divestment**") for a total cash consideration of HK$283 million (approximately S$46 million) (the "**Consideration**"). With the cash proceeds from the Divestment, CapitaLand would be able to redeploy the capital for more attractive investments.

CapitaLand's wholly-owned subsidiary Citadines Ashley TST (Singapore) Pte. Ltd. has entered into a conditional sales and purchase agreement (the **"Agreement**") with Golden Stone Management Limited (the "**Purchaser**"), a party unrelated to CapitaLand, for the divestment of its entire interest in its wholly-owned subsidiaries Citadines Ashley TST (Hong Kong) Limited ("**Ashley**") and Citadines Ashley TST Management (Hong Kong) Limited ("**Ashley Management**"). Both Ashley and Ashley Management are incorporated in Hong Kong. The sole asset of Ashley is the Property. Ashley Management provides management services to the Property.

The Consideration, which is subject to post completion adjustments and which shall in no event be higher than HK$290 million (approximately S$47 million), was arrived at on a willing-buyer willing-seller basis, and comprises, *inter alia*:

(a) the aggregated adjusted net asset value of Ashley and Ashley Management of approximately HK$92 million (approximately S$15 million) as at 31 December 2010, which takes into account the agreed value of the Property at HK$283 million (approximately S$46 million) among other factors; and

(b) the assignment of the outstanding shareholder's loans to the Purchaser which were provided by The Ascott Holdings Limited, a wholly-owned subsidiary of CapitaLand, to Ashley and Ashley Management as at the date of completion (the "**Completion**"). As at 31 December 2010, the shareholder's loans outstanding were HK$191 million (approximately S$31 million).

CapitaLand's total carrying value of its investments in Ashley and Ashley Management based on their management accounts as at 28 February 2011 was S$34.6 million.

Completion is expected to take place by 30 September 2011 after all the conditions set out in the Agreement have been satisfied or waived (as applicable) or such other date as the parties may agree in writing.

The first 15% of the Consideration has been paid following the signing of the Agreement and the balance 85% will be paid on Completion. Upon Completion, Ashley and Ashley Management will cease to be wholly-owned subsidiaries of CapitaLand.

The Divestment is 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 2011.

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

By Order of the Board

Low Sai Choy
Company Secretary
4 April 2011