CAPITALAND LIMITED

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

ANNOUNCEMENT

DIVESTMENT OF THE ENTIRE 20% INTEREST IN MACAO STUDIO CITY PROJECT

CapitaLand Limited ("**CapitaLand**") wishes to announce the divestment (the "**Divestment**") of its entire 20% interest in the Macao Studio City ("**MSC**") project to its joint venture partner, eSun Holdings Limited ("**eSun**"), for a cash consideration of HK$658,756,800 (approximately S$104.5 million) (the "**Consideration**"). Completion of the Divestment is subject to the approval of eSun's shareholders and is expected to take place no later than 15 October 2011 ("**Completion**").

CapitaLand through its wholly-owned subsidiary, CapitaLand Integrated Resorts Pte. Ltd. ("**CIR**"), owns a one-third stake (comprising 100 ordinary shares) (the "**Sale Shares**") in East Asia Satellite Television (Holdings) Limited ("**East Asia**"). The other two-third stake in East Asia is held by eSun. East Asia and New Cotai LLC ("**New Cotai**") own a 60:40 stake in the MSC project through Cyber One Agents Limited ("**Cyber One**"). CapitaLand's effective interest in the MSC project is therefore 20%.

CIR has entered into a conditional agreement to divest the Sale Shares to eSun's wholly-owned subsidiary, Boom Faith Limited ("**Boom Faith**"). The Sale Shares were purchased by CIR from Boom Faith in 2007 and as part of the conditions for the purchase, CIR was given a put option (the "**Put Option**") to put back the Sale Shares to Boom Faith if certain conditions are not fulfilled by September 2011. The Consideration is equal to the price which Boom Faith would have to pay CIR in the event that CIR exercises the Put Option.

Besides Boom Faith paying the Consideration, East Asia will also repay the shareholder loans advanced by Boom Faith and CIR in the amount of US$80,022,000 and US$40,011,099 (equivalent to approximately S$49.3 million) ("**Shareholder Loan**"), respectively. The Consideration and Shareholder Loan will be satisfied wholly in cash and will be paid on Completion.

CapitaLand's carrying value of the Sale Shares (including the Shareholder Loan) is approximately S$145.0 million as at 30 April 2011.

Since the formation of the joint venture between East Asia and New Cotai (the "**JV**"), the parties to the JV have been unable to resolve a number of issues which led to the delay of the commencement of the MSC project. In previous announcements, reference has been made to legal proceedings commenced in the Hong Kong SAR by (i) East Asia on 29 October 2009 against New Cotai, (ii) New Cotai Entertainment, LLC (an affiliate of New Cotai) on 14 October 2010 against eSun, East Asia, East Asia Televišao Por Satélite Limitada (a subsidiary of CyberOne), CapitaLand and CIR; and (iii) New Cotai on 29 October 2010 against East Asia and Cyber One (together, the "**Legal Proceedings"**). CapitaLand believes that the proceedings brought by New Cotai against CapitaLand and CIR are without merit. CapitaLand believes that the breakdown in the relationship among the parties to the JV is best resolved through the Divestment. Boom Faith will reimburse CapitaLand and CIR for their legal and administrative fees and expenses incurred in connection with the Legal Proceedings.

The Divestment is transacted in conjunction with a sale (the "**CyberOne Transaction**") by East Asia of its entire 60% stake in Cyber One to an affiliate of Melco Crown Entertainment Limited, a party unrelated to CapitaLand. eSun has today issued an announcement to The Stock Exchange of Hong Kong Limited on, inter alia, the Divestment and CyberOne Transaction. eSun will be convening a general meeting of its shareholders to obtain their approval for the Divestment and the CyberOne Transaction.

Upon Completion, a settlement deed between, inter alia, CapitaLand, CIR, eSun, Boom Faith and New Cotai (the "**Settlement Deed**") will also be effected and result in a full and final settlement, on a no admission of liability basis, of the Legal Proceedings and all disputes between the parties to the Settlement Deed arising out of, or in connection with, the MSC project and the JV in accordance with the terms and conditions of the Settlement Deed. The settlement includes a release from liability between the parties to the Settlement Deed and no settlement sum is payable by any party pursuant to the terms of the Settlement Deed.

Upon Completion, East Asia and its subsidiaries (including Cyber One) will cease to be associated companies 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
16 June 2011