CAPITALAND LIMITED

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

ANNOUNCEMENT

DIVESTMENT OF HILTON DOUBLE TREE HOTEL IN KUNSHAN, CHINA

CapitaLand Limited ("**CapitaLand**") wishes to announce the divestment of the Hilton Double Tree Hotel in Kunshan, China (the "**Property**") for a cash consideration of RMB257.5 million (approximately S$49 million) (the "**Consideration**").

CapitaLand's wholly-owned subsidiary, CCH Developments Limited has entered into a Sale and Purchase Agreement (the "**Agreement**") with a party unrelated to CapitaLand (the "**Purchaser**") for the divestment (the "**Divestment**") of its entire 100% interest (the "**Sale Stake**") in its wholly-owned subsidiary, Franco Investment Limited ("**Franco**") which holds the Property through its wholly-owned subsidiary, Kunshan Guangting Property Co., Ltd. ("**Guangting**"). Franco is a company incorporated in Hong Kong. Guangting is a company incorporated in China. The sole asset of Guangting is the Property which is an operational 398-room hotel managed by Hilton with a gross floor area of approximately 40,196 square metres.

The Divestment is part of CapitaLand Group's ongoing strategy of capital productivity.

The Consideration was arrived at on a willing-buyer and willing-seller basis and comprises, inter alia:

(a) cash of S$1 for the Sale Stake which is a nominal sum after factoring in the adjusted consolidated negative net asset value of S$6 million of Franco as at 30 April 2011 which has taken into account the agreed value of the Property at RMB513.5 million (approximately S$97 million) and other factors and;

(b) payment of approximately S$49 million for the shareholders' loan of S$55 million outstanding as of the date of signing of the Agreement which will be assigned by Franco to the Purchaser.

Based on the management accounts as at 30 April 2011, the consolidated negative net asset value of Franco is S$28 million.

The completion of the Divestment is expected to take place in the third quarter of 2011 (the "**Completion**"). Upon Completion, the Consideration will be paid in full and Franco and Guangting will cease to be wholly-owned subsidiaries of CapitaLand.

Upon Completion, CapitaLand is expected to recognise a net gain of approximately S$18 million. Based on the unaudited consolidated financial statements of CapitaLand Group for the three months ended 31 March 2011:

a) assuming that the Divestment was effected on 1 January 2011, CapitaLand's earnings per share would have increased from 2.4 cents to 2.8 cents; and

b) assuming that the Divestment was effected on 31 March 2011, the financial impact on CapitaLand's net tangible asset 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.

By Order of the Board

Low Sai Choy
Company Secretary
13 May 2011