CAPITALAND LIMITED

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

ANNOUNCEMENT

DIVESTMENT OF A RESIDENTIAL SITE IN SHANGHAI

CapitaLand Limited ("**CapitaLand**") wishes to announce the divestment of a 144,657 square metre residential site in Shanghai's Qingpu District, China (the "**Site**") for a cash consideration of RMB807.7 million (approximately S$152.6 million) (the "**Consideration**").

CapitaLand's wholly-owned subsidiary, CapitaLand China Holdings Pte Ltd (the "**Vendor**") 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 BR Properties Pte Ltd ("**BR Properties**") which holds the Site through its 95% owned subsidiary, Shanghai Guang Nan Real Estate Development Co., Ltd. ("**Shanghai Guang Nan**"). BR Properties is a company incorporated in Singapore. Shanghai Guang Nan is a company incorporated in China.

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 RMB538.4 million (approximately S$101.7 million) for the Sale Stake, after taking into account the agreed value of the Site at RMB957.9 million (approximately S$181.0 million); and

(b) assignment of the shareholder's loan of RMB269.3 million (approximately S$50.9 million) owing by BR Properties to the Vendor.

Based on the consolidated management accounts of BR Properties as at 31 March 2011, the net tangible assets of the Sale Stake is S$0.7 million.

The completion of the Divestment which is subject to the fulfillment of certain conditions set out in the Agreement, is expected to take place in the second quarter of 2011 (the "**Completion**"). A sum of US$10.0 million (approximately S$12.3 million) has been paid following the signing of the Agreement and the balance of approximately RMB742.6 million (approximately S$140.3 million) will be paid on Completion. Upon Completion, BR Properties and Shanghai Guang Nan will cease to be subsidiaries of CapitaLand.

The Vendor has undertaken as a condition subsequent to Completion to procure that the relevant land authorities under the land grant contracts enter into a supplemental agreement with Shanghai Guang Nan on or before 31 December 2011. Failing which, the Purchaser has a put option to require the Vendor to purchase the Sale Stake together with the loans then owing by BR Properties to the Purchaser at an option price which includes the Consideration earlier paid by the Purchaser and all other additional costs incurred from Completion (the "**Put Option**"). The Put Option expires on 31 January 2012.

Upon Completion, CapitaLand is expected to recognise a net gain of approximately S$82.0 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 4.3 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
18 May 2011

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