CAPITALAND LIMITED

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

ANNOUNCEMENT

(I) ESTABLISHMENT OF A JOINT VENTURE COMPANY CVH SPRING COMPANY LIMITED
(II) DIVESTMENT OF THE ENTIRE 100% STAKE IN CVH CAYMAN 8 LIMITED TO VIETNAM JOINT VENTURE COMPANY LIMITED

(I) Establishment of a Joint Venture Company CVH Spring Company Limited

CapitaLand Limited ("**CapitaLand**") wishes to announce that on 3 October 2011, it established a joint venture company in Vietnam, CVH Spring Company Limited ("**Spring Co**"), with a charter capital of VND280 billion (approximately S$17.6 million). Spring Co was established for the purpose of undertaking the development of a value housing project on a parcel of land (the "**Land**") located at Binh Trung Dong Ward, District 2, Ho Chi Minh City, Vietnam.

Spring Co is 70% owned by CVH Cayman 8 Limited ("**C8**") and 30% owned by Khang Dien Sai Gon Real Estate Joint Stock Company, a party unrelated to CapitaLand.

(II) Divestment of the Entire 100% Stake in CVH Cayman 8 Limited to Vietnam Joint Venture Company Limited

CapitaLand wishes to announce that following the establishment of Spring Co, it has today divested its entire 100% stake in C8 (the "**Divestment**") to Vietnam Joint Venture Company Limited (**"VJV"**) for an aggregate consideration of approximately US$2.94 million (approximately S$3.80 million) (the "**Consideration**").

VJV is a 50:25:25 joint venture between CapitaLand, GIC Real Estate and Mitsubishi Estate Asia established to invest primarily in residential development projects in Vietnam.

The Consideration, which was arrived at on a willing-buyer willing-seller basis, comprises:

(a) US$2.83 million (approximately S$3.66 million) paid in cash on Divestment, being the aggregate of (i) the issued share capital of C8 of US$1 (approximately S$1.30); (ii) the value of a shareholder's loan of S$3.59 million extended to C8 by CapitaLand (Vietnam) Holdings Pte. Ltd. ("**CV**"), a wholly-owned subsidiary of CapitaLand. The loan has been assigned to VJV; and (iii) CV's transaction costs in setting up C8 and Spring Co amounting to US$56,732 (approximately S$73,000); and

(b) Approximately US$107,000 (approximately S$138,000) being the holding costs in respect of funding extended to C8, to be paid upon the issuance of the land use rights certificates for the Land to Spring Co expected by 31 December 2011.

The net tangible liability value of C8 was S$5,589 based on its management accounts as of 30 September 2011.

Following the Divestment, CapitaLand's interest in C8 was reduced from 100% to 50%. CapitaLand's effective interest in Spring Co was reduced from 70% to 35%. Both C8 and Spring Co ceased to be subsidiaries and became associated companies of CapitaLand.

The above transactions are not expected to have any material impact on the net tangible assets per share and the earnings per share of 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 above transactions.

By Order of the Board

Low Sai Choy
Company Secretary
6 October 2011