



CAPITALAND LIMITED

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

ANNOUNCEMENT

DIVESTMENT OF CITADINES ASHLEY HONGKONG

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**") for a cash consideration of HK\$311 million (approximately S\$50 million) (the "**Consideration**").

CapitaLand's wholly-owned subsidiary, Citadines Ashley TST (Singapore) Pte. Ltd., has entered into a conditional sale and purchase agreement (the "**Agreement**") with Jasen Industries Limited (the "**Purchaser**"), a party unrelated to CapitaLand, for the divestment (the "**Divestment**") of its wholly-owned subsidiary, Citadines Ashley TST (Hong Kong) Limited ("**Ashley**"), whose sole asset is the Property. Ashley is incorporated in Hong Kong.

The Divestment is consistent with CapitaLand's active capital management.

The Consideration, which is subject to post completion adjustments, was arrived at on a willing-buyer willing-seller basis, and comprises, *inter alia*:

- (a) the aggregated adjusted net asset value of Ashley of approximately HK\$131 million (approximately S\$21 million) as at 30 April 2012, which takes into account the agreed value of the Property at HK\$310 million (approximately S\$50 million) among other factors; and
- (b) the assignment of the outstanding shareholder's loans of HK\$180 million (approximately S\$29 million) to the Purchaser which were provided by The Ascott Holdings Limited, a wholly-owned subsidiary of CapitaLand.

CapitaLand's carrying value of its investment in Ashley based on Ashley's management accounts as at 30 April 2012 was S\$35 million.

Completion is expected to take place by 31 October 2012 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 "**Completion**").

The first 10% of the Consideration has been paid upon the signing of the Agreement. The second 10% of the Consideration will be paid on or before the expiry of three months from the date of the Agreement or the Completion date, whichever is earlier. The remaining 80% of the Consideration will be paid on Completion.

Upon Completion, Ashley will cease to be a wholly-owned subsidiary of CapitaLand. However, the Property will continue to be leased to and managed by CapitaLand's wholly-owned subsidiaries under the Citadines brand.

CapitaLand is expected to recognise a net gain of approximately S\$14 million upon Completion. Based on the unaudited consolidated financial statements of CapitaLand Group for the three months ended 31 March 2012:

- a) assuming that the Divestment was effected on 1 January 2012, CapitaLand's earning per share would have increased from 3.1 cents to 3.5 cents; and
- b) assuming that the Divestment was effected on 31 March 2012, 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
1 June 2012