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

ANNOUNCEMENT

DIVESTMENT OF INFINI GARDEN TO ASCOTT RESIDENCE TRUST

CapitaLand Limited ("**CapitaLand**") wishes to announce the divestment (the "**Divestment**") of its 30% interest in the rental housing property in Japan, known as Infini Garden located at 3-2-2, 3, 4, 5 KashiiTeriha, Higashi-ku, Fukuoka City, Japan (the "**Property**") for a cash consideration of JPY0.7 billion (approximately S$9.1 million) (the "**Consideration**"). The Divestment is to DBS Trustee Limited as trustee of Ascott Residence Trust ("**Ascott REIT**"). CapitaLand has an interest of approximately 45.4% in Ascott REIT.

The Divestment is part of CapitaLand's ongoing strategy to enhance capital productivity. The proceeds from the Divestment will strengthen CapitaLand's capability to pursue other projects. Through its unitholding in Ascott REIT, CapitaLand will continue to benefit from the stable yield from the Property.

The Divestment is made through the sale by Ascott Investment Holdings Ltd ("**Ascott Investment**"), a wholly-owned subsidiary of CapitaLand, of its entire 30% equity interest in Island City Pte. Ltd. ("**Island City**"). The balance of 70% equity interest in Island City held by ArcResidential Japan Investments Limited ("**AJI**"), a party unrelated to CapitaLand, is also sold to the Ascott REIT at the same time as the Divestment.

Island City, a company incorporated in Singapore, holds 100% equity interest in Island City Investments Pte. Ltd. ("**Island City Investments**") and Infini Garden Pte. Ltd. ("**Infini Garden**"), both companies also incorporated in Singapore. Both Island City Investments and Infini Garden in turn collectively hold 100% equity interest in Infini Garden TMK ("**TMK5**"), an investment vehicle incorporated in Japan, which in turn owns the Property.

The Consideration was arrived at on a willing-buyer and willing-seller basis and is based on the consolidated net asset value of Island City of JPY2.4 billion (approximately S$30.4 million), taking into account, among other factors, the agreed value of the Property of JPY6.3 billion (approximately S$78.4 million).

The Divestment was completed (the “**Completion**”). The Consideration was paid on Completion and would be subject to adjustments post Completion based on the consolidated net asset value in the final completion accounts. The adjustments are not expected to have any material impact on the Consideration.

Following the Completion, as a result of CapitaLand’s 45.4% interest in the Ascott REIT which has acquired the Property, CapitaLand’s interest in the Property and its holding companies, namely, Island City, Island City Investments, Infini Garden and TMK5 has increased from 30% to 45.4%. Island City, Island City Investments, Infini Garden and TMK5 continue 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 2014.

None of the directors and controlling shareholder of CapitaLand has any interest, direct or indirect, in the Divestment.

By Order of the Board

Michelle Koh
Company Secretary
21 March 2014