



## **CAPITALAND LIMITED**

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

### **ANNOUNCEMENT**

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#### **DIVESTMENT OF CAPITAL TOWER, BEIJING**

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CapitaLand Limited ("CapitaLand") wishes to announce that CapitaLand China Trust Company Pte. Ltd. ("CCTC"), acting in its capacity as the trustee of CapitaLand China Income Fund, a private investment trust wholly owned beneficially by Hua Hong Holdings Pte. Ltd. ("Hua Hong"), has entered into a share purchase deed to sell its entire 100% stake (comprising one ordinary share) (the "Sale Share") in Hua Lei Holdings Pte. Ltd. ("Hua Lei") to Sky Property Management Limited, a party unrelated to CapitaLand (the "Sale"). CCTC, Hua Hong and Hua Lei are indirect wholly-owned subsidiaries of CapitaLand.

Hua Lei, through its wholly-owned subsidiary, Beijing Xinjincheng Real Estate Management Co., Ltd. ("Beijing XJC"), owns two office towers known as "Capital Tower" located in the Chaoyang District, Beijing, the People's Republic of China (the "Property").

The aggregate consideration for the Sale Share is US\$352 million (approximately S\$498 million) (the "Consideration"), subject to post completion adjustment. The Consideration was arrived at on a willing-buyer willing-seller basis, and comprises the consolidated net asset value of Hua Lei and Beijing XJC as of 31 March 2008, which takes into account, amongst other factors, the agreed value of the Property at US\$488 million (approximately S\$691 million) and the assignment of the shareholder's loan of approximately US\$166 million (approximately S\$235 million) owing by Hua Lei to CapitaLand China Holdings Pte Ltd, an indirect wholly-owned subsidiary of CapitaLand. The net tangible asset value of the Sale Share based on the management accounts of Hua Lei as of 30 June 2008 was approximately S\$34 million.

The completion of the Sale is expected to take place before the end of 2008 (the "Completion"). Upon Completion, CapitaLand will recognise in its Group consolidated accounts a net gain of approximately S\$163 million. Hua Lei and Beijing XJC will cease to be indirect subsidiaries of CapitaLand.

Based on the unaudited consolidated financial statements of CapitaLand for the half-year ended 30 June 2008:

- (i) assuming that the Sale was effected on 1 January 2008, CapitaLand's earnings per share would have increased from 27.1 cents to 32.4 cents; and
- (ii) assuming that the Sale was effected on 30 June 2008, the financial impact on CapitaLand's net tangible assets per share would not be material.

None of the Directors or the controlling shareholder of CapitaLand has any interest, direct or indirect, in the above Sale.

By Order of the Board

Low Sai Choy  
Company Secretary  
3 September 2008