



CAPITALAND LIMITED

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

ANNOUNCEMENT

ESTABLISHMENT OF A 90:10 JOINT VENTURE TO ACQUIRE SOMERSET CENTRAL TD HAI PHONG CITY, VIETNAM

CapitaLand Limited (“**CapitaLand**”) wishes to announce that its wholly-owned subsidiary, Vibrant Coral Overseas Inc. (“**VCO**”), has entered into a Conditional Joint Venture Agreement (“**JVA**”) with Thuy Duong Investment Joint Stock Company (“**TD**”), a party unrelated to CapitaLand, to establish a 90:10 joint venture company in Vietnam to be named as Somerset Central TD Company Limited (“**SCCL**”).

SCCL will acquire from TD one tower (the “**Property**”) of an existing integrated development in Hai Phong, Vietnam for US\$10.5 million (approximately S\$12.6 million) (the “**Property Value**”). The Property will be fitted out and operated as a 132-unit serviced apartment to be known as Somerset Central TD Hai Phong City. The acquisition of the Property will allow CapitaLand through its wholly-owned serviced residence business unit, The Ascott Limited, which holds VCO, to take control of the development of the Property and to enhance the value of the Property.

Pursuant to the JVA, VCO will inject cash of US\$9.45 million (approximately S\$11.4 million) for its 90% stake in SCCL (the “**Investment**”). TD’s injection of US\$1.05 million (approximately S\$1.2 million) for its 10% stake in SCCL will be offset against the Property Value to be paid by SCCL.

Completion of the Investment is expected to take place by 11 November 2011 or such other date as the parties may agree in writing (the “**Completion**”). The Completion is conditional on and subject to several conditions precedent including the approval of the Vietnam authorities for the establishment of SCCL and the acquisition of the Property from TD by SCCL.

Upon Completion, SCCL will become a 90% owned subsidiary of CapitaLand.

The Investment 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 2011.

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

By Order of the Board

Low Sai Choy
Company Secretary
2 August 2011