CAPITALAND LIMITED

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

ANNOUNCEMENT

ACQUISITION BY HUA XIONG HOLDINGS PTE. LTD.
RELATING TO 50% OF THE ISSUED SHARE CAPITAL OF BEAUTIWIN LIMITED

CapitaLand Limited ("CapitaLand") wishes to announce that Hua Xiong Holdings Pte. Ltd. ("Hua Xiong"), an indirect wholly-owned subsidiary of CapitaLand, had on 21 November 2005 entered into a conditional sale and purchase agreement (the "Agreement") with Welitron Profits Limited (the "Vendor"), CapitaLand China Holdings Pte Ltd and Lai Fung Holdings Limited (“Lai Fung”) to acquire one ordinary share of HK$1.00 (representing 50% of the issued share capital) of Beautiwin Limited ("Beautiwin") (the "Sale Share"), an investment holding company incorporated in the Hong Kong Special Administrative Region of the People's Republic of China, and certain shareholders' loans owing to the Vendor by Beautiwin (the "Shareholders' Loans") (collectively, the "Acquisition").

Beautiwin will contribute 100% of the registered capital of Guangzhou Beautiwin Real Estate Development Co., Ltd. (the "Project Company"), a Sino-foreign co-operative joint venture enterprise established in the People's Republic of China (the "PRC"). Subject to the payment by Beautiwin of a fixed return to the PRC joint venture party of the Project Company, Beautiwin is entitled to all profits and is responsible for all losses of the Project Company.

Each of the Vendor, Beautiwin and the Project Company is an indirect wholly-owned subsidiary of Lai Fung, a company incorporated in the Cayman Islands and whose shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "HKSE"). Lai Fung's principal activities include property development and investment in the PRC.

Under a conditional land use rights grant contract dated 30 September 1997 between Beautiwin and the Guangzhou State Land Bureau (the "Conditional Land Use Rights Grant Contract"), Beautiwin will be granted land use rights by the Guangzhou State Land Bureau to and over the land known as Lot B3704 and Lot B3706, Guangzhou Jin Sha Zhou Residential New Town located at Niu Yan Gang, Heng Sha Village, Shi Jing Town, Bai Yun District, Guangzhou, PRC (the "Land") upon the full payment of all outstanding costs and fees relating to the Land. The Land is intended to be developed into a residential estate with schools, car parks and shopping amenities.

Conditional Agreement

Completion of the Acquisition (the"Completion") is conditional upon, among other things, the receipt of all consents, waivers and approvals required for the Acquisition, including approvals from the shareholders of Lai Fung as required under the Rules Governing the Listing of Securities on HKSE.

Pursuant to the Agreement, following Completion, Hua Xiong has the right to require the Vendor to purchase all the shares in Beautiwin owned by Hua Xiong upon the occurrence of certain events:

(i) the termination of the Conditional Land Use Rights Grant Contract;

(ii) the forfeiture of any amount paid by Beautiwin and/or the Project Company to the Guangzhou State Land Bureau pursuant to the Conditional Land Use Rights Grant Contract; and/or

(iii) any imposition of late payment penalties as a result of any non-payment by Beautiwin and/or the Project Company of the land premium in accordance with the Conditional Land Use Rights Grant Contract.

Consideration

The aggregate cash consideration for the Acquisition was RMB102.757 million (approximately S$22 million), subject to Completion and post-Completion adjustments (collectively, the "Consideration"). The Consideration was arrived at on a willing-buyer-willing-seller basis, taking into account, amongst other factors, the value of the Land and the Shareholders' Loans.

The net tangible asset value of the Sale Share based on the management accounts of Beautiwin for the period ended 31 October 2005 is HK$1.00 (approximately S$0.22).

Completion

The Acquisition is expected to be completed by the first quarter of 2006. Upon Completion, CapitaLand will indirectly own 50% of Beautiwin and Beautiwin will become an associated company of CapitaLand.

Financial Effects

The Acquisition 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 2005.

Interests of Directors and Controlling Shareholders

None of the Directors and controlling shareholders of CapitaLand has any interest, direct or indirect, in the above transaction.

By Order of the Board

Rose Kong
Company Secretary
22 November 2005