CAPITALAND LIMITED

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

ANNOUNCEMENT

A. SUBSCRIPTION FOR PREFERENCE SHARES IN THE SHARE CAPITAL OF CAPITALAND CHINA DEVELOPMENT FUND PTE. LTD.

B. TRANSFER OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL IN CAPITALAND NINGBO HOLDINGS PTE. LTD. AND CAPITALAND NINGBO (COMMERCIAL) HOLDINGS PTE. LTD.

A. SUBSCRIPTION FOR PREFERENCE SHARES IN THE SHARE CAPITAL OF CAPITALAND CHINA DEVELOPMENT FUND PTE. LTD.

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect wholly-owned subsidiary, CapitaLand China Holdings Pte Ltd (”CCH”) has entered into a Subscription Agreement with CapitaLand China Development Fund Pte. Ltd. (the ”Fund”) to subscribe for 150,000 redeemable preference shares in the Fund of par value of US$0.01 (”Preference Shares”) at a premium of US$999.99 for each preference share.

The Fund is a closed-end private investment company providing institutional and high net worth individual investors with an opportunity to invest on a long term basis in real estate development projects in the People’s Republic of China.

CCH has committed to invest US$150 million (approximately S$254 million) in the Fund which amounts to 37.5% of the aggregate committed capital raised by the Fund.

CapitaLand’s interest in the Fund presently comprises two ordinary shares of S$1 each, held by CapitaLand China Development Fund Management Pte. Ltd., another indirect wholly-owned subsidiary of CapitaLand. Upon issue and allotment by the Fund to CCH of the Preference Shares subscribed by CCH, CapitaLand’s interest in the Fund, held through CCH, will also comprise such Preference Shares in the Fund.

As at the date of this announcement, the Fund has raised committed capital of US$400 million (approximately S$678 million) from CCH and other investors through agreements to subscribe for Preference Shares in the Fund. Upon issue and allotment by the Fund of the Preference Shares subscribed by CCH and the other investors, CapitaLand’s indirect interest will be 37.5% and CapitaLand will also cease to have a majority representation on the board of the Fund; the Fund will therefore cease to be an indirect subsidiary of CapitaLand.

CCH's subscription for the Preference Shares will not be expected to have any material impact on the net tangible assets per share and the earnings per share of CapitaLand Group for the financial year ending 31 December 2005.

B. TRANSFER OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL IN CAPITALAND NINGBO HOLDINGS PTE. LTD. AND CAPITALAND NINGBO (COMMERCIAL) HOLDINGS PTE. LTD.

CapitaLand also wishes to announce that CCH has signed a Sale and Purchase Agreement with the Fund to transfer to the Fund its interest in CapitaLand Ningbo Holdings Pte. Ltd. ("CNH") and CapitaLand Ningbo (Commercial) Holdings Pte. Ltd. ("CNCH") (the "Transaction") for a total consideration of US$43.1 million (approximately S$73.0 million).

The interest comprises the entire issued and paid-up share capital of CNH and CNCH and shareholders' loans aggregating US$43.1 million (approximately S$73.0 million) owing by CNH and CNCH to CCH. The aggregate consideration which will be satisfied in cash is based on a willing-buyer willing-seller basis, taking into account amongst other things, the negative net tangible asset values of approximately US$0.8 million (S$1.4 million) for CNH and approximately US$0.4 million (S$0.7 million) for CNCH both for the period ending 31 October 2005.

In addition, the Fund has also undertaken to procure that within one month after completion or later as agreed between the parties, CNH and CNCH will grant shareholders' loans aggregating to approximately US$65.5 million (S$111 million) to the Project Companies (as defined below) to enable the Project Companies to repay 80% of debts owing to two CapitaLand group companies, CapitaLand (China) Investment Co., Ltd ("CCIC") and CapitaLand Management Consulting Co., Ltd, incurred in relation to the Ningbo Project.

CNH is the sole registered and beneficial owner of the registered capital of Ningbo Xin Yao Real Estate Development Co., Ltd ("Xin Yao") and Ningbo Xin Feng Real Estate Development Co., Ltd. ("Xin Feng") and CNCH is the sole registered and beneficial owner of Ningbo Xin Yin Real Estate Development Co., Ltd. ("Xin Yin"). Xin Yao, Xin Feng and Xin Yin are collectively referred to as the Project Companies. Through the Project Companies, CNH and CNCH collectively hold an indirect 80% stake in a prime residential cum commercial site in Ningbo ("Ningbo Project"). The balance 20% stake in Ningbo Project is held indirectly by CCIC.

CapitaLand, as the sponsor for the Fund, had committed to offer to the Fund an opportunity to acquire a stake in the Ningbo Project as a seed investment for the Fund. The Transaction was effected to fulfill that commitment.

Completion of the Transaction is expected to take place on 31 October 2005. Upon completion, CapitaLand's effective stake in the Ningbo Project will be 50% (comprising the 20% stake held by CCIC and the 80% stake held through the Fund in which CapitaLand holds a 37.5% stake).

The Transaction is not expected to have any material impact on the net tangible assets per share and earnings per share of CapitaLand Group for the financial year ending 31 December 2005.

By order of the Board

Rose Kong
Company Secretary
24 October 2005