CAPITALAND LIMITED

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

ANNOUNCEMENT

PROPOSED DIVESTMENT OF SHARES IN SEA VIEW HOTEL LIMITED

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect wholly-owned subsidiary, CRL Realty Pte Ltd ("CRLR") has today signed and completed two separate sale and purchase agreements (collectively, the "Sale and Purchase Agreements") with each of Kong Hoa Pte Limited ("KHPL") and Lim Kok Gin & Nephews Pte Ltd ("LKGN"), parties unrelated to CapitaLand Group, to divest (the "Divestment") its entire 23.85% stake comprising 5,270,000 shares (the "Sale Shares") in Sea View Hotel Limited ("Sea View") ("Completion"). The aggregate consideration (the "Consideration") for the Divestment was S$16,073,500 at S$3.05 per share.

Sea View is listed on the Singapore Exchange Securities Trading Limited. The principal activities of Sea View consisted of the business hoteliers and landlords. It ceased such operations since financial year 2004 and its principal activity is now that of investment holding.

Under the terms of the Sale and Purchase Agreements:

1. KHPL will acquire 2,108,000 of the Sale Shares at S$6,429,400 and LKGN will acquire 3,162,000 of the Sale Shares at S$9,644,100.

2. The Consideration, which was arrived at on a willing seller-willing buyer basis, shall be satisfied in cash in the following manner:

   (i) Upon Completion of the Divestment, a cash payment equivalent to 20% of the Consideration is payable by KHPL (S$1,285,880) and LKGN (S$1,928,820) respectively; and

   (ii) the balance of 80% of the Consideration (the "Balance Consideration") is payable by KHPL (S$5,143,520) and LKGN (S$7,715,280), respectively, in June 2006. The Balance Consideration will be secured by two letters of guarantee to be issued in favour of CRLR by a financial institution.

Following Completion, Sea View will cease to be an indirect associated company of CapitaLand.

The book value of the Sale Shares as at 31 March 2006 amounts to S$8,106,304.

The Divestment does not have any material impact on the net tangible assets or earnings per share of the CapitaLand Group for the financial year ending 31 December 2006.

By Order of the Board

Ng Chooi Peng
Assistant Company Secretary
19 April 2006