CAPITALAND LIMITED

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

ANNOUNCEMENT

SALE OF STAKE IN D.L. PROPERTIES LTD

CapitaLand Limited (“CapitaLand”) wishes to announce that its indirect wholly-owned subsidiary, CapitaLand (Office) Investments Pte Ltd, has today entered into an agreement (the "Agreement") with Equity (CP) Private Limited and Sound Investments Limited, for the sale of its entire 35.37% stake (comprising 31,832,000 ordinary shares) (the “Sale Shares”) in D.L. Properties Ltd ("DLP").

DLP is an indirect associated company of CapitaLand and the owner of the building called "Equity Plaza" located at Raffles Place (the "Property").

CapitaLand’s aggregate cash consideration for the sale is S$27.4 million. The consideration was arrived at on a willing buyer-willing seller basis taking into account, amongst other factors, the agreed value of the Property at S$236 million and the assignment of shareholders’ loan of S$29.9 million.

The net tangible asset value of the Sale Shares based on the management accounts of DLP as at 31 May 2006 is S$1.1 million.

The completion of the sale is subject to the fulfilment of certain conditions precedent set out in the Agreement, including a pre-emption offer on the existing shareholder(s) of DLP and the lapsing thereof, or the waiver of their pre-emption rights.

Following the completion of the sale, DLP will cease to be an associated company of CapitaLand.

The sale is not expected to have any material impact on the net tangible asset or earnings per share of the CapitaLand Group for the financial year ending 31 December 2006.

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

By Order of the Board

Ng Chooi Peng
Assistant Company Secretary
2 August 2006