CAPITALAND LIMITED

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

ANNOUNCEMENT

JOINT VENTURE AGREEMENT WITH SOUTH SAIGON DEVELOPMENT CORPORATION

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect wholly-owned subsidiary, CapitaLand (Vietnam) Holdings Pte. Ltd. ("CapitaLand Vietnam") had today entered into a Joint Venture Agreement with South Saigon Development Corporation ("SADECO"), a Vietnam state-owned enterprise, to develop a residential site owned by SADECO (the "Site"). The Site is located in Tan Phong Ward, District 7, adjacent to Phu My Hung Urban area in Ho Chi Minh City, Vietnam. The proposed joint venture and the incorporation of the joint venture company is subject to the relevant approvals being obtained from the Ho Chi Minh City People's Committee and the Ministry of Planning and Investment of Vietnam for the issuance of a foreign investment certificate.

Upon approvals being obtained, CapitaLand Vietnam will subscribe for a 70% stake which is equivalent to US$14 million (approximately S$21.8 million) of the total registered capital of US$20 million (approximately S$31.1 million) in the proposed joint venture company. SADECO will subscribe for the remaining 30% stake. Upon subscription, the proposed joint venture company will become an indirect subsidiary of CapitaLand.

The above transactions are not expected to have any material impact on the net tangible assets or earnings per share of CapitaLand Group for the financial year ending 31 December 2006.

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

By Order of the Board

Ng Chooi Peng
Assistant Company Secretary
8 December 2006