CAPITALAND LIMITED

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

ANNOUNCEMENT

DIVESTMENT OF INDIRECT WHOLLY-OWNED SUBSIDIARY, CAPITARETAIL CHINA INVESTMENTS (B) BETA PTE. LTD.

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect wholly-owned subsidiary, CapitaLand Retail China Pte. Ltd., has today completed the sale of its wholly-owned subsidiary, CapitaRetail China Investments (B) Beta Pte. Ltd. ("CRCI"), to CapitaRetail China Incubator Fund (the "Fund"). Following such completion, CRCI ceases to be an indirect wholly-owned subsidiary of CapitaLand.

The Fund is a closed-end private fund constituted on 6 June 2006. CapitaLand has an indirect interest of 30% in the Fund, with the balance of 70% owned by institutional investors. The Fund is set up to invest in retail malls in the People's Republic of China which will produce stable income after repositioning, asset enhancement initiatives or leasing activities.

CRCI owns an effective 100% interest in Xihuan Plaza, a retail mall located in Beijing, the People's Republic of China. The sale of CRCI will complete the transfer of Xihuan Plaza to the Fund.

The aggregate consideration for CRCI is US$127.7 million (S$199.4 million) including holding and transactions costs. The consideration was arrived at on a willing-buyer willing-seller basis, and will be satisfied entirely in cash. The net tangible asset value of CRCI is approximately US$123.3 million (S$192.4 million) which represents Phase 1 of Xihuan Plaza as at 30 November 2006.

The above transaction is not expected to have any material financial 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 the controlling shareholder of CapitaLand has any interest, direct or indirect, in the above transaction.

By Order of the Board

Low Sai Choy
Company Secretary
28 December 2006