CAPITALAND LIMITED

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

ANNOUNCEMENT

(I) ESTABLISHMENT OF INDIRECT WHOLLY-OWNED SUBSIDIARY, ACEGOAL PTE. LTD.

CapitaLand Limited wishes to announce the establishment of the following indirect wholly-owned subsidiary incorporated in Singapore:-

Name	:	Acegoal Pte. Ltd.
Principal Activity	:	Investment Holding
Authorised Share Capital	:	S$500,000 divided into 500,000 ordinary shares of S$1 each
Issued and Paid-up Share Capital	:	S$1 comprising 1 ordinary share of S$1

(II) ACQUISITION BY ACEGOAL PTE. LTD. RELATING TO 30% OF THE ISSUED SHARE CAPITAL OF ALPINE RETURN SDN. BHD.

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect wholly-owned subsidiary, Acegoal Pte. Ltd. had on 18 January 2006 entered into a shareholders' agreement with United Malayan Land Bhd ("UM Land") and Bolton Berhad ("Bolton") to subscribe for 30 ordinary shares of RM1 each, representing 30% of the issued share capital of Alpine Return Sdn. Bhd. ("Alpine Return") (the Subscription") for a total cash consideration of RM30. Bolton and UM Land will each hold 35% stake in Alpine Return.

CapitaLand has a 21.58% indirect equity interest in UM Land via Opal Holdings Pte Ltd and Prime Equities Pte Ltd, both of which are indirect wholly-owned subsidiaries of CapitaLand. With the above Subscription, CapitaLand's indirect effective interest in Alpine Return is 37.55% making Alpine Return an indirect associated company of CapitaLand.

Alpine Return is a private limited company incorporated in Malaysia. Its principal activity is that of property development and related activities.

Alpine Return will acquire eleven (11) parcels of freehold land measuring approximately 4.3 acres (187,145 sq ft) located along Jalan Mayang, off Jalan Yap Kwan Seng, Kuala Lumpur, Malaysia (the "Mayang Land") from Bolton for a cash consideration of RM112.29 million (approximately S$64 million) (the "Consideration"). The Consideration was arrived at on a willing-buyer and willing-seller basis after taking into consideration the current value of the Mayang Land. The acquisition of the Mayang Land is subject to approval by the Malaysian Foreign Investment Committee and the shareholders of Bolton.

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.

By Order of the Board

Rose Kong
Company Secretary
18 January 2006