CAPITALAND LIMITED

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

ANNOUNCEMENT

CHANGE OF INTEREST IN SHANGHAI XIN WEI PROPERTY DEVELOPMENT CO., LTD

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect effective interest in Shanghai Xin Wei Property Development Co., Ltd ("Xin Wei"), the developer of Somerset Xu Hui serviced residence ("Somerset Xu Hui") and clubhouse (the "Clubhouse"), both located at Xu Hui District, Shanghai, the People's Republic of China ("PRC"), has reduced from 84.6% to 67.9%.

The change in interest took place when Hua Sheng Holdings Pte Ltd ("Hua Sheng"), an indirect wholly-owned subsidiary of CapitaLand disposed of its entire equity stake of 52% in Xin Wei to Glenwood Properties Pte Ltd ("Glenwood") for a consideration of US$1 (equivalent to S$1.63) following the approval obtained from Shanghai Foreign Investment Committee of PRC. In addition, Hua Sheng has also disposed of its entire 60% contractual rights and obligations in the Clubhouse to Glenwood for a consideration of US$1 million (equivalent to S$1.63 million) ("Sale Consideration").

Xin Wei was jointly owned by Hua Sheng (52%), Glenwood (40%), an indirect wholly-owned subsidiary of The Ascott Group Limited ("Ascott"), and Hua Xin Residences Pte Ltd (8%) ("Hua Xin"), a wholly-owned subsidiary of Ascott. CapitaLand has 67.9% indirect interest in Ascott.

Hua Sheng and Glenwood owned 60% and 40% respectively in the contractual rights and obligations in the Clubhouse. Hua Sheng's 52% equity interest in Xin Wei did not carry any contractual rights and obligations in Somerset Xu Hui and the Clubhouse.

The Sale Consideration which was determined based on the Clubhouse's net book value of RMB8.27 million (equivalent to S$1.63 million) was arrived at on a willing-buyer willing-seller basis and was satisfied in cash.

The above is 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

Ng Chooi Peng
Assistant Company Secretary
27 January 2006