CAPITALAND LIMITED

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

ANNOUNCEMENT

CHANGE OF INTEREST IN GAINZILLION PTE. LTD.

On 17 May 2006, CapitaLand Limited ("CapitaLand") issued a news release that it had secured a prime residential site (the "Site") in Hangzhou's Gongshu District by way of a government land tender, through its indirect wholly-owned subsidiaries, Gainzillion Pte. Ltd. ("Gainzillion") and CapitaLand (China) Investment Co., Ltd ("CCIC"). The Site will be jointly held by Gainzillion (80%) and CCIC (20%).

CapitaLand now wishes to announce that its indirect wholly-owned subsidiary, CapitaLand China Holdings Pte Ltd has transferred 1 ordinary share, representing 100% stake of the issued and paid up share capital of Gainzillion to CapitaLand China Development Fund Pte. Ltd. ("CCDF"), its 37.5% indirect associated company, for a total consideration of S$1 (the "Share Transfer").

CCDF is a closed-end private investment company providing institutional and high net worth individual investors with an opportunity to invest on a long term basis in real estate development projects in the People's Republic of China.

Following the Share Transfer, Gainzillion has ceased to be an indirect wholly-owned subsidiary of CapitaLand, and has become a 37.5% indirect associated company of CapitaLand. CapitaLand's indirect effective interest in the Site is 50%.

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

By Order of the Board

Lai Choon Hung
Deputy Chief Corporate Officer
6 June 2006