CAPITALAND LIMITED
(Incorporated in the Republic of Singapore)
(Registration No: 19890036N)

ANNOUNCEMENT

SUBSCRIPTIONS FOR UNITS IN
CAPITARETAIL CHINA DEVELOPMENT FUND
AND
CAPITARETAIL CHINA INCUBATOR FUND

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect wholly-owned subsidiary, CapitaLand Retail China Pte Ltd ("CapitaLand Retail China") has today entered into a subscription agreement with CapitaRetail China Fund Management Pte. Ltd. (the "Manager") and CapitaLand China Retail Trustee Pte. Ltd. (the "Trustee"), as, respectively, the manager and the trustee for CapitaRetail China Development Fund (the "Development Fund"), to subscribe for up to 270 million units in the Development Fund at US$1 per unit.

The Development Fund is a closed-end private fund providing institutions with an opportunity to invest in retail mall developments located in the People's Republic of China (the "PRC").

As at the date of this announcement, the Development Fund has raised committed capital of US$600 million (approximately S$948 million) from CapitaLand Retail China and other investors through agreements to subscribe for units in the Development Fund. As CapitaLand Retail China has committed to invest US$270 million (approximately S$427 million) in the Development Fund, this amounts to 45% of the aggregate committed capital raised by the Development Fund.

CapitaLand Retail China has today also entered into a subscription agreement with the Manager and the Trustee, as, respectively, the manager and the trustee for CapitaRetail China Incubator Fund (the "Incubator Fund"), to subscribe for up to 127.5 million units in the Incubator Fund at US$1 per unit.

The Incubator Fund is a closed-end private fund providing institutions with an opportunity to invest in retail malls in the PRC with the potential to generate higher income after repositioning, asset enhancement or completion of leasing activities.

As at the date of this announcement, the Incubator Fund has raised committed capital of US$425 million (approximately S$671 million) from CapitaLand Retail China and other investors through agreements to subscribe for units in the Incubator Fund. As CapitaLand Retail China has committed to invest US$127.5 million (approximately S$201 million) in the Incubator Fund, this amounts to 30% of the aggregate committed capital raised by the Incubator Fund.

The Manager and the Trustee are both indirect wholly-owned subsidiaries of CapitaLand. The Trustee will hold the assets of the Development Fund and the Incubator Fund in its capacity as trustee of the Development Fund and the Incubator Fund, respectively.

Upon issue and allotment by the Development Fund and the Incubator Fund of the units subscribed by CapitaLand Retail China and other investors, the Development Fund and the Incubator Fund will become indirect associated companies of CapitaLand.

CapitaLand Retail China's subscriptions for units in the Development Fund and the Incubator Fund are not expected to have any material impact on the net tangible assets per share or the 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

Important Notice

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in the Development Fund or the Incubator Fund.