CAPITALAND LIMITED

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

ANNOUNCEMENT

CAPITAL REDUCTION BY INDIRECT ASSOCIATED COMPANY, CHINA CLUB INVESTMENT PTE LTD

CapitaLand Limited ("CapitaLand") wishes to announce that pursuant to Section 78B of the Companies Act, Chapter 50, its indirect associated company, China Club Investment Pte Ltd ("China Club"), a company incorporated in Singapore, had on 28 November 2006 effected the reduction of its issued and paid-up share capital from S$5,393,173.80 to S$1,200,000 by the cancellation of an amount of S$4,193,173.80 in share capital (the "Capital Reduction").

Westbond Investments Pte Ltd, an indirect wholly-owned subsidiary of CapitaLand holds a 48% stake in China Club.

Upon the Capital Reduction taking effect:

(a) an amount equal to S$375,658.37 being part of the credit arising from the Capital Reduction, was applied to write-off the accumulated losses of China Club as at 1 January 2006; and

(b) an amount equal to S$3,817,515.43 being the remainder of the credit arising from the Capital Reduction, was returned to the shareholders of China Club in proportion to their shareholding interests in China Club.

Following the Capital Reduction, China Club's issued and paid-up share capital is S$1,200,000 comprising 1,327,436 ordinary shares.

The Capital Reduction is not expected to have a material impact on the net tangible assets 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 November 2006