CAPITALAND LIMITED

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

ANNOUNCEMENT

SUBSCRIPTION AND SALE & PURCHASE AGREEMENT RELATING TO 29.75% OF THE SHARE CAPITAL OF JOY ASCEND HOLDINGS LIMITED

CapitaLand Limited ("CapitaLand") wishes to announce that CapitaLand LF (Cayman) Holdings Co. Ltd ("CapitaLand Cayman"), an indirect wholly-owned subsidiary of CapitaLand, has on 27 October 2006, entered into a conditional Subscription and Sale & Purchase Agreement (the "Agreement") with inter alia, Joy Ascend Holdings Limited ("Joy Ascend") and Joy Bright Investment Ltd ("Joy Bright"), to subscribe and acquire a 29.75% equity stake in Joy Ascend. Both Joy Ascend and Joy Bright are companies incorporated in British Virgin Islands. The existing share capital of Joy Ascend comprises 10,000 ordinary shares of par value US$1.

The current shareholders of Joy Ascend are Joy Bright and other parties who are unrelated to the CapitaLand Group. Joy Ascend is an investment holding company that owns a 100% stake in Central China Real Estate Holdings Limited, a company incorporated in British Virgin Islands, which in turn wholly owns Central China Real Estate (China) Co., Ltd., a foreign enterprise established in the People's Republic of China.

Under the Agreement, CapitaLand Cayman will subscribe and acquire the 29.75% stake in Joy Ascend in the following manner:

a. subject to the fulfilment of conditions precedent, CapitaLand Cayman will subscribe for 3,289 new ordinary shares of par value US$1 in the share capital of Joy Ascend (the "Subscription") for an aggregate sum of RMB500 million (approximately S$100.4 million), payable in cash; and

b. subject to the Subscription being completed, CapitaLand Cayman agrees to purchase 665 ordinary shares of par value US$1 in the share capital of Joy Ascend for a consideration of RMB101 million (approximately S$20.3 million) payable in cash (the "Share Transfer") from Joy Bright. The Share Transfer will be completed upon the fulfilment of the Share Transfer conditions precedent.

Upon completion of the Subscription and the Share Transfer which is expected to take place by end December 2006, CapitaLand Cayman will hold a 29.75% stake in Joy Ascend, making it an indirect associated company of CapitaLand.

Additionally, Joy Ascend has also granted an irrevocable option to CapitaLand Cayman to subscribe for a further 3,289 new ordinary shares of par value US$1 in the share capital of Joy Ascend for an aggregate sum of RMB500 million (approximately S$100.4 million) payable in cash (the "Option Subscription"). The obligation of CapitaLand Cayman to complete the Option Subscription shall be conditional on inter alia, the Subscription and the Share Transfer being completed. Completion of the Option Subscription, if exercised, is expected to take place by third quarter of 2007, whereupon CapitaLand Cayman's interest in Joy Ascend will be 43.69%.

The subscription price for the Subscription and the Option Subscription was arrived at based on the revalued net asset value of Joy Ascend, taking into account the value of Joy Ascend's property portfolio in the Henan province**.** The Share Transfer price was arrived at on a willing-buyer-willing-seller basis, taking into account, amongst other factors, the revalued net asset value of Joy Ascend. The revalued net asset value based on the accounts of Joy Ascend as at 30 June 2006 is RMB1,427 million (approximately S$286.6 million).

The above transactions are 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.

None of the Directors or controlling shareholder of CapitaLand has any interest, direct or indirect, in the above transactions.

By Order of the Board

Low Sai Choy
Company Secretary
29 October 2006