CAPITALAND LIMITED

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

ANNOUNCEMENT

ACQUISITION OF ADDITIONAL 8.8% EQUITY INTEREST IN HUA QING HOLDINGS PTE LTD

CapitaLand Limited ("CapitaLand') wishes to announce that its indirect wholly-owned subsidiary, CapitaLand China Holdings (Commercial) Pte Ltd (“CCHC”) has today entered into a Sale and Purchase Agreement to acquire from Hong Lim Investments Pte Ltd (the “Vendor”) an 8.8% equity interest (comprising 88,232 ordinary shares) (the “Shares”) in the issued share capital of Hua Qing Holdings Pte Ltd (“Hua Qing”) (the “Acquisition”).

CCHC has also converted its existing 40 convertible preference shares into 40 fully paid ordinary shares in the issued share capital of Hua Qing (the “Share Conversion”).

Following the Share Conversion and upon completion of the Acquisition which is expected to take place on 21 September 2006, CapitaLand’s interest in Hua Qing will increase from 50% (comprising 499,980 ordinary shares and 40 convertible preference shares) to 58.8% (comprising 588,252 ordinary shares) and Hua Qing will become an indirect subsidiary of CapitaLand.

Hua Qing is an investment holding company incorporated in Singapore and holds a 95% stake in Shanghai Hua Qing Real Estate Development Co., Ltd which, in turn owns “Raffles City Shanghai”, a commercial centre comprising a 51-storey Grade A office tower and a 8-storey retail podium, located at Huangpu District, Shanghai.

The aggregate cash consideration for the Acquisition is S$17.2 million and was arrived at on a willing buyer-willing seller basis, taking into account, amongst other factors, the adjusted net tangible asset value of the Shares. In addition, CCHC will pay S$18.6 million in cash to the Vendor in consideration of the assignment to CCHC the shareholder’s loans of approximately S$18.6 million (comprising US$11.7 million and S$30,000 respectively).

The adjusted net tangible asset value of the Shares based on the management accounts of Hua Qing as at 30 June 2006 is S$13.8 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.

The Acquisition is an interested person transaction because the Vendor is an associate of Temasek Holdings (Private) Limited ("Temasek"), the controlling shareholder of CapitaLand pursuant to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual"). As the total transaction value of the Acquisition is less than 3% of CapitaLand Group's latest audited net tangible asset as at 31 December 2005, it is a non-announceable transaction under Chapter 9 of the Listing Manual. Save as aforesaid, no other interested person transaction has been entered into with Temasek and its associates (including the Vendor) in the current year to-date.

Save as disclosed above, 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
12 September 2006