CAPITALAND LIMITED

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

ANNOUNCEMENT

SALE OF STAKE IN SAVU PROPERTIES LTD

CapitaLand Limited ("**CapitaLand**") wishes to announce that its indirect wholly-owned subsidiary, Orthoclase Pte Ltd (**"Orthoclase"**), and the other existing shareholders (collectively, the "**Vendors**") of Savu Properties Ltd ("**SPL**"), have entered into an agreement (the **"Agreement"**) for the sale of their respective shareholdings in SPL (collectively, the "**Sale**"). Pursuant to the Agreement, Orthoclase would sell its entire 50% stake (comprising 45,000,000 ordinary shares) (the "**Sale Shares**") in SPL and assign all its rights in respect of the shareholder loans from Orthoclase to SPL (the **"Loans"**).

SPL owns the office building in Singapore known as Chevron House (the "**Property**").

The cash consideration (the "Consideration") for the Sale Shares and the assignment of the Loans is S$366.4 million, subject to a post-completion adjustment of the net asset value of SPL as of 24 September 2007 (the "Completion Date"). The Consideration was arrived at on a willing-buyer willing-seller basis, taking into account, among other factors, the agreed value of the Property at S$730 million (the "Agreed Value") and the assignment of the Loans.

CapitaLand's carrying value of the Sale Shares, based on the management accounts of SPL as at 31 July 2007 was S$87.1 million.

Completion of the Sale is subject to the fulfillment of certain conditions precedent set out in the Agreement, including financing being obtained and there being no material breach on or at any time before the Completion Date of any of the warranties and representations given by the Vendors (the "**Completion**").

Upon Completion, CapitaLand will recognise in its Group consolidated accounts a gain of approximately S$150.8 million. SPL will cease to be an associated company of CapitaLand.

Based on the unaudited consolidated financial statements of CapitaLand for the half year ended 30 June 2007:

(i) assuming that the Sale was effected on 1 January 2007, CapitaLand's earnings per share would have increased from 54.4 cents to 59.8 cents; and

(ii) assuming that the Sale was effected on 30 June 2007, the financial impact on CapitaLand's net tangible assets per share would not be material.

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
30 August 2007