CAPITALAND LIMITED

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

ANNOUNCEMENT

**TRANSFER OF WHOLLY-OWNED SUBSIDIARY,
MUTUAL STREAMS SDN. BHD. AND
SUBSCRIPTION TO SUBORDINATED CLASS C MEDIUM TERM NOTES**

Further to its news release dated 16 August 2007, CapitaLand Limited ("CapitaLand") wishes to announce that the acquisition by its wholly-owned subsidiary, Mutual Streams Sdn. Bhd. ("MSSB") of MINES Shopping Fair (the "Mines"), a retail mall which is part of the MINES Resort City in Selangor, Malaysia will be undertaken through the subscription of an asset-based securitisation (the "Securitisation").

To effect the Securitisation, CapitaLand, through another wholly-owned subsidiary, Pronto Investment One Pte. Ltd. ("PIO"), has completed the transfer (the "Transfer") of its entire equity interest (comprising two ordinary shares) in MSSB to EQ Secretaries Sdn Bhd, a Malaysian trustee, for a cash consideration of RM2 (approximately S$0.87). Following the Transfer, MSSB has ceased to be a wholly-owned subsidiary of CapitaLand.

Pursuant to the Securitisation, MSSB, the special purpose vehicle for the Securitisation, has issued Subordinated Class C Medium Term Notes in a principal amount of RM260 million (approximately S$112 million) which have been fully subscribed to by PIO. MSSB has also issued Senior Class A Notes and Senior Class B Notes in an aggregate principal amount of RM175 million (approximately S$75 million) which have been fully subscribed to by Malaysian financial institutions.

The above transactions are not expected to have any material impact on the net tangible assets or earnings per share of CapitaLand for the financial year ending 31 December 2007.

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

By Order of the Board

Low Sai Choy
Company Secretary
21 December 2007