CAPITALAND LIMITED

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

ANNOUNCEMENT

ACQUISITION OF 13% INTEREST IN BLIFE INVESTMENT CORPORATION AND 33.4% INTEREST IN MORIMOTO ASSET MANAGEMENT CO., LTD.

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect wholly-owned subsidiaries, CapitaLand Japan Investments Pte. Ltd. ("CJIPL") through its branch in Japan ("CJIPL Japan Branch"), and CapitaLand Nippon Investments Pte. Ltd. ("CNIPL"), have committed to subscribe for an aggregate of 6,400 new units ("Units") in BLife Investment Corporation ("BLife") (the "Subscription") in connection with the filing today by BLife of a Securities Registration Statement with the Kanto Local Finance Bureau, Ministry of Finance, Japan, on a private placement of 8,000 new units. The Subscription will be at a price of JPY504,261 per unit or a total cash consideration of JPY3.23 billion (approximately S$41 million).

CapitaLand's indirect wholly-owned subsidiary, CapitaLand Japan Kabushiki Kaisha ("CapitaLand Japan"), has also committed to subscribe for 4,008 ordinary shares in Morimoto Asset Management Co., Ltd. ("MMAM") ("MMAM Shares") in the capital of MMAM at a consideration of JPY200.4 million (approximately S$2.5 million). MMAM is the asset manager of BLife.

CapitaLand, BLife and MMAM are expected to enter into the subscription agreements for the subscription of the Units and MMAM Shares on or about 1 March 2007.

BLife Investment Corporation

BLife is a real estate investment trust whose main sponsor is Morimoto Co. Ltd. ("Morimoto"). Morimoto is an established developer based in Tokyo. The units of BLife have been listed on the main board of Tokyo Stock Exchange since 22 March 2006 and BLife's market capitalization as at 9 February 2007 is JPY23 billion (approximately S$290 million). The investment mandate of BLife is to invest in residential and retail properties in the target proportions of at least 70% and not exceeding 30% of its property portfolio respectively. BLife seeks to realize the concept of "Beautiful Life and Home" for its properties. Its objective is to achieve a well-balanced asset growth to provide stable income for its unitholders. In growing its portfolio, BLife focuses its acquisitions on residential and retail properties that meet the needs of the modern consumers. Its current portfolio of 14 properties is located in prime locations in Tokyo, many of which are within close proximity to train or

subway stations. Three of the properties have won the Good Design Award, a well-known industry award in Japan.

Morimoto Asset Management Co., Ltd.

MMAM is the asset manager of BLife. It was incorporated in Japan on 1 September 2004 and has a paid-up capital of JPY150 million (approximately S$1.9 million). Morimoto currently holds 67% of the issued share capital of MMAM with the rest held by unrelated third parties. Upon the issue of the MMAM Shares, the two largest shareholders and their respective stakes will be Morimoto at 50.1% and CapitaLand Japan at 33.4%.

Consideration

The consideration for the Units is computed based on the average closing price of the units of BLife during 10 January 2007 to 9 February 2007 (both days inclusive), being the one-month period from the last trading day immediately preceding the date when the board of directors of BLife approved the placement of Units to CJIPL Japan Branch and CNIPL. This is an established market practice for determining the price for share placements in Japan. The net tangible asset value of BLife based on the audited financial statements as at 30 November 2006 is approximately JPY501,300 per unit.

The consideration for the MMAM Shares was arrived at on a willing buyer-willing seller basis taking into account, amongst other factors, the original subscription price paid by the founder shareholders and the net asset value of the company. The net tangible asset value of MMAM based on its audited financial statements as at 31 March 2006 is approximately JPY48,100 per share.

Completion

Completion of both transactions is scheduled to take place on or about 2 March 2007. On completion, the Units will be issued by BLife to CJIPL Japan Branch and CNIPL and the MMAM Shares by MMAM to CapitaLand Japan in exchange for the consideration in cash. Upon the issue of the Units by BLife and the MMAM Shares by MMAM, the Units will represent 13% of the enlarged capital of BLife and, the MMAM Shares 33.4% of the enlarged issued share capital of MMAM. Upon completion, MMAM will become an indirect associated company of CapitaLand.

For the purpose of the transactions, CJIPL had on 7 February 2007 increased its issued and paid-up share capital from S$1 (comprising 1 ordinary share) to S$4,200,000 (comprising 4,200,000 ordinary shares) by an allotment and issue of 4,199,999 ordinary shares for a cash consideration of S$4,199,999 while CNIPL will be increasing its issued and paid-up share capital prior to the completion of the transactions.

Rationale

The proposed acquisitions will provide CapitaLand with a listed REIT platform to grow its assets under management in Japan. This is in line with its strategy to grow its real estate and capital management business in regional markets. CapitaLand typically holds sponsor stake in the REITs it manages in order to align its interest with the other unitholders of the REITs.

Financial Impact

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

Interests of Directors and Controlling Shareholder

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
13 February 2007