CAPITALAND LIMITED

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

ANNOUNCEMENT

DIVESTMENT OF INDIRECT WHOLLY-OWNED SUBSIDIARY, CAPITARETAIL CHINA DEVELOPMENTS (B) PTE. LTD.

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect wholly-owned subsidiary, CapitaLand Retail China Pte. Ltd., has today sold its wholly-owned subsidiary, CapitaRetail China Developments (B) Pte. Ltd. ("CRCD"), to CapitaRetail China Development Fund (the "Fund") (the "Sale"). Following the Sale, CRCD ceases to be an indirect wholly-owned subsidiary of CapitaLand.

The Fund is a closed-end private fund constituted on 6 June 2006, with a total capital commitment of US$600 million (S$933.8 million). CapitaLand has an indirect interest of 45% in the Fund, with the balance of 55% owned by institutional investors. The Fund is set up to invest in retail mall developments located in the People's Republic of China ("PRC").

CRCD owns:

(i) an effective 65% interest in the following 13 malls : Chengdu Mall, Dongguan Mall, Foshan Mall, Huizhou Mall, Kunshan Mall, Mianyang Mall, Nanchang Mall, Quanzhou Mall, Weifang Mall, Yangzhou Mall, Yibin Mall, Zhanjiang Mall and Zibo Mall (together, the "Development Properties"), all of which are located in the PRC; and

(ii) an effective 50% interest in Wal-Mart China headquarters which is located in Shenzhen, PRC.

The Sale will complete the transfer of the Development Properties and Wal-Mart China headquarters to the Fund.

The aggregate consideration for the Sale is US$259.9 million (S$404.5 million) including holding and transaction costs. The consideration was arrived at on a willing-buyer willing-seller basis, and will be satisfied entirely in cash. The net tangible asset value of CRCD is approximately US$247 million (S$384.4 million) as at 31 December 2006.

The above transaction is not expected to have any material financial impact on the net tangible asset or earnings per share of the CapitaLand Group 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 transaction.

By Order of the Board

Low Sai Choy
Company Secretary
15 January 2007