CAPITALAND LIMITED

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

ANNOUNCEMENT

SALE OF THE ENTIRE STAKE IN QUILL REALTY SDN BHD AND PREMA BONANZA SDN BHD

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect wholly-owned subsidiary, CapitaLand (M) Investments Pte Ltd ("CMIPL"), has today completed the sales (the "Sales") of its entire 40% stake (comprising 40,000 ordinary shares at par value of RM1) in Quill Realty Sdn. Bhd. ("QRSB") and its entire 39% stake (comprising 39 ordinary shares at par value of RM1) in Prema Bonanza Sdn Bhd ("PBSB") to MCDF Investment Pte Ltd ("MCDFI"), a wholly-owned subsidiary of Malaysia Commercial Development Fund Pte. Ltd. ("MCDF").

MCDF, a company incorporated in Singapore, is a closed-end private investment company constituted on 28 March 2007 to invest in real estate development projects in Malaysia with focus on Kuala Lumpur and the Klang Valley. CapitaLand has an effective interest of approximately 30% in MCDF with the balance 70% held by various institutional investors.

QRSB is a company incorporated in Malaysia and owns a parcel of land known as Lot J, Kuala Lumpur Sentral ("Lot J"). QRSB intends to develop a 29-storey office building with a 6-storey podium on Lot J. PBSB, another company incorporated in Malaysia, is the owner of a parcel of land known as Lot D, Kuala Lumpur Sentral ("Lot D"). PBSB intends to develop Lot D into two residential/serviced apartment blocks with ancillary retail amenities. Lot D had been identified earlier as a possible candidate for injection into MCDF in CapitaLand's news release on 28 December 2006.

MCDFI has paid a purchase consideration of RM94,362 (approximately S$41,822) and RM15,555 (approximately S$6,894) (collectively the "Consideration") for CMIPL's stakes in QRSB and PBSB respectively. The Consideration includes the par value of the shares and the holding and transaction costs. The Consideration was arrived at on a willing-buyer willing-seller basis, and was satisfied fully in cash. Based on the management accounts of QRSB and PBSB as at 31 May 2007, the net tangible liability value of QRSB was RM420,000 (approximately S$186,000) and the net tangible asset value of PBSB was RM100 (approximately S$44).

In addition to the Consideration, MCDFI has also paid a sum of RM1 million (approximately S$443,000) and RM2.7 million (approximately S$1.2 million) to QRSB and PBSB respectively as shareholder advance to repay the shareholder advance owing by QRSB and PBSB respectively to CMIPL.

Following the Sales, CapitaLand's interests in QRSB and PBSB have, by virtue of its holding of approximately 30% effective interest in MCDF, been reduced to approximately 12% and 11.7% respectively. QRSB and PBSB have ceased to be indirect associated companies of CapitaLand.

The Sales are not expected to have any material impact on the net tangible assets per share and the 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 transactions.

By Order of the Board

Ng Chooi Peng
Assistant Company Secretary
10 July 2007