CAPITALAND LIMITED

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

ANNOUNCEMENT

(I) ESTABLISHMENT OF INDIRECT WHOLLY-OWNED SUBSIDIARY, MORGANITE PTE. LTD.

(II) ACQUISITION OF FARRER COURT

(I) ESTABLISHMENT OF INDIRECT WHOLLY-OWNED SUBSIDIARY, MORGANITE PTE. LTD.

CapitaLand Limited ("CapitaLand") wishes to announce the establishment of the following indirect wholly-owned subsidiary incorporated in Singapore:-

Name	:	Morganite Pte. Ltd.
Principal Activity	:	Property Development
Share Capital	:	S$1 comprising 1 ordinary share

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

(II) ACQUISITION OF FARRER COURT

CapitaLand Limited ("CapitaLand") wishes to announce that Morganite Pte. Ltd. ("Morganite"), a company wholly owned by its subsidiary, CRL Realty Pte Ltd ("CRL Realty") has today agreed to acquire 151A, 151B, 151C, 151D, 151E, 151F, 151G and 151H King's Road, Farrer Court ("Farrer Court") for a cash consideration of S$1,338.8 million (the "Consideration") through a collective sale (the "Acquisition"). Taking into account an estimated differential premium of S$450 million to S$500 million to top up the lease to a fresh 99-year tenure and to maximise the plot ratio, the total acquisition cost is estimated to be between S$762 and S$783 per square foot per plot ratio.

The Consideration was arrived at on a willing-buyer and willing-seller basis. A tender fee of S$1 million has been paid for the Acquisition (the "Tender Fee"). The Consideration is payable in instalments: 5% of the Consideration (less the Tender Fee) is payable within 7 days from 28 June 2007 and 5% of the Consideration is payable within 7 days of an order being made by the Strata Titles Board (the "Board"). The balance 90% of the Consideration is payable upon completion of the Acquisition, which is expected to take place by the second quarter of 2008 and subject to *inter alia*, the approval of the Board.

Located along Farrer Road in the Holland Village residential enclave, Farrer Court sits on a 77,898 square metre (838,488 square feet) site with a maximum gross plot ratio of 2.8. There are 618 apartments in the existing development. Approval has been obtained from owners with over 80% share value of Farrer Court to proceed with the collective sale.

CapitaLand plans to build a condominium on the Farrer Court site (the "Development"). CapitaLand is the lead development manager for the project, responsible for the full spectrum of sales and marketing, product design and development and project management. The Development is expected to be ready for launch in the first half of 2009.

CRL Realty has executed a memorandum of agreement on 27 June 2007 with HPL Orchard Place Pte. Ltd. ("HPL") and Wachovia Development Corporation ("Wachovia") whereby each of the parties agree to participate in the Development through investing in Morganite. CRL Realty is expected to retain a 35% to 40% interest in Morganite, while HPL, Wachovia and possibly a foreign fund will hold the remaining interest in Morganite. CapitaLand's share of the Consideration will correspond to the share of its interest in Morganite. The parties will be entering into a formal agreement (the "Agreement") to regulate their relationship as shareholders of Morganite. Upon completion of the Agreement, Morganite will cease to be a subsidiary and become an associated company of CapitaLand.

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.

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

By Order of the Board

Low Sai Choy
Company Secretary
28 June 2007