CAPITALAND LIMITED

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

ANNOUNCEMENT

PROPOSED FINAL AND SPECIAL DIVIDENDS FOR FY2006
- CHANGE OF CORPORATE TAX RATE

On 14 February 2007, CapitaLand Limited (the "**Company**") announced:

(i) a proposed first and final dividend of 7 cents per share comprising 3.5 cents (less tax at 20%) and 3.5 cents (one-tier); and

(ii) a proposed special dividend of 5 cents per share (one-tier),

for the financial year ended 31 December 2006.

The above dividends are subject to the approval of shareholders of the Company at its forthcoming Annual General Meeting.

In view of the Budget 2007 announcement on 15 February 2007 of a reduction of the Singapore corporate tax rate from 20% to 18%, the applicable tax rate to be deducted from the proposed first and final dividend will be 18% instead of 20%.

The Company intends to use, to the maximum practicable extent possible, its Section 44A credit balance for the proposed first and final dividend.

Purely for illustrative purposes, based on the Company's Section 44A credit balance available (which is subject to finalisation by the Inland Revenue Authority of Singapore) as at 31 December 2006 and the number of issued shares in the capital of the Company as at that date, and assuming that there is no change to its Section 44A credit balance and no increase in the number of issued shares between 31 December 2006 and the books closure date for determining entitlements to the above dividends (the "**BCD**"), the proposed first and final dividend of 7 cents per share would comprise:

(i) 3.97 cents per share (less tax at 18%); and
(ii) 3.03 cents per share (one-tier).

The exact amount of the franked and one-tier components of the first and final dividend will be announced by the Company as soon as practicable after the BCD.

By Order of the Board

Low Sai Choy
Company Secretary
1 March 2007