CAPITALAND LIMITED

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

ANNOUNCEMENT

INVESTMENT OF US$130 MILLION (APPROXIMATELY S$197 MILLION) IN RAFFLES CITY BAHRAIN FUND LIMITED

CapitaLand Limited ("CapitaLand") wishes to announce that CapitaLand (GCC) Pte. Ltd. ("CG"), its indirect wholly-owned subsidiary, had on 30 April 2007 committed to invest (the "Investment") US$130 million (approximately S$197 million) representing 37.1% of the total commitments of US$350 million (approximately S$531 million) (the "Commitments") in Raffles City Bahrain Fund Limited (the "Fund").

The Fund is a private investment company incorporated in the Cayman Islands. Its main objective is to invest in an integrated residential, serviced residence and retail development to be known as Raffles City Bahrain in the premier destination of the waterside of Bahrain Bay, which will be developed by Bahrain Bay Integrated Development Limited ("BBID"), another company incorporated in the Cayman Islands.

In consideration for the payment of the Commitments which will be made on a progressive basis, the Fund will issue trust certificates (the "Certificates") to the investors. The Certificates are constituted by a Private Placement Memorandum dated 20 December 2006 (the "Private Placement Memorandum") and a Declaration of Trust and Agency dated 30 April 2007 (the "Declaration of Trust and Agency") pursuant to which the Fund declares that it holds the Trust Assets (as defined below) in trust for the holders of the Certificates *pro rata* to the face value of the Certificates subject to, *inter alia*, the terms and conditions set out in the Declaration of Trust and Agency.

The trust assets (the "Trust Assets") consist of substantially all the assets of the Fund which include the entire issued and paid-up share capital of RCBF Investment Limited ("RCBFI"), a company incorporated in the Cayman Islands and RCBFI's rights, title, interest and benefit, present and future, in, to and under various agreements (the "Agreements") and all proceeds to be received pursuant to the Agreements. The Agreements include a Master Forward Lease and a Master Call Option pursuant to both of which RCBFI will be able to lease and sell Raffles City Bahrain or the residential or retail units therein to third parties in return for rental and sale proceeds. The arrangements provide a framework to enable BBID to use the proceeds of the Certificates to finance the development of the Raffles City Bahrain and, in return, for RCBFI to be given the leasing and sale rights in respect of Raffles City Bahrain. All proceeds thereof after paying all costs and expenses incurred shall be retained by RCBFI.

CapitaLand Bahrain Bay Management Pte. Ltd., a company incorporated in Singapore and an indirect wholly-owned subsidiary of CapitaLand, has been appointed to provide certain management services to the Fund, RCBFI and BBID. CapitaLand Bahrain Bay Business Services WLL, a company incorporated in Bahrain and an indirect wholly-owned subsidiary of CapitaLand, will provide project management and advisory services to BBID in relation to the development of Raffles City Bahrain.

Upon first drawdown of the Investment, the Fund will become an indirect associated company of CapitaLand.

The Investment is not expected to have any material impact on the net tangible assets and 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
2 May 2007