CAPITALAND LIMITED

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

ANNOUNCEMENT

REDUCTION OF INTEREST IN
MALAYSIA COMMERCIAL DEVELOPMENT FUND PTE. LTD.

Further to its announcement on 28 September 2007, CapitaLand Limited ("CapitaLand") wishes to announce that its indirect wholly-owned subsidiary, CapitaLand (M) Investments Pte. Ltd. ("CMIPL") has today entered into a novation agreement (the "Novation Agreement") with an unrelated third party (the "New Investor") to novate a subscription agreement (the "Subscription Agreement") in which CMIPL had committed to subscribe for 5,000 redeemable preference shares of US$1,000 each ("RPS") in Malaysia Commercial Development Fund Pte. Ltd. (the "Fund"). Pursuant to the Novation Agreement, the New Investor will assume the rights, benefits, liabilities and obligations of CMIPL under the Subscription Agreement with effect from today.

Pursuant to the Subscription Agreement, CMIPL had subscribed for and been issued 462 RPS. CMIPL has today concurrently with the Novation Agreement, entered into a share transfer agreement (the "Share Transfer Agreement") with the New Investor for the sale of the 462 RPS, for a consideration of US$473,000 (approximately S$721,000) (the "Consideration"). The Consideration was arrived at on a willing-buyer willing-seller basis and was satisfied wholly in cash.

The Fund is a closed-end development fund which invests in real estate development properties primarily in Kuala Lumpur and the Klang Valley with a fund size of US$270 million (approximately S$411.8 million). The commitment of US$5 million (approximately S$7.6 million) in the Subscription Agreement represents an approximate 2% interest in the Fund.

With the execution of the Novation Agreement and completion of the Share Transfer Agreement, CapitaLand's effective interest in the Fund has been reduced from approximately 23% to approximately 21%.

The above transactions are not expected to have any material impact on the net tangible assets or earnings per share of CapitaLand for the current 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

Low Sai Choy
Company Secretary
11 October 2007