CAPITALAND LIMITED

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

ANNOUNCEMENT

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

On 28 March 2007, CapitaLand Limited ("CapitaLand")'s wholly-owned subsidiary, CapitaLand Commercial Limited (formerly known as CapitaLand Commercial & Integrated Development Limited), had, through its wholly-owned subsidiary, CapitaLand (M) Investments Pte. Ltd. ("CMIPL"), entered into three agreements with Malaysia Commercial Development Fund Pte. Ltd. (the "Fund") in which it had committed to subscribe for 50,000, 20,000 and 5,000 redeemable preference shares of US$1,000 each in the Fund ("RPS") respectively, amounting to an aggregate of 75,000 RPS, for a total commitment of US$75 million (approximately S$114.4 million).

CapitaLand wishes to announce that CMIPL has today entered into a novation agreement (the "Novation Agreement") with an unrelated third party (the "New Investor") to novate the subscription agreement for the 20,000 RPS (the "Subscription Agreement"). 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 1,849 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 1,849 RPS (the "Sale Shares"), for a consideration of US$1.8903 million (approximately S$2.9 million) (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 Subscription Agreement which is in respect of a commitment of US$20 million (approximately S$30.5 million) represents a 7.4% 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 30% to approximately 23%.

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 substantial shareholder of CapitaLand has any interest, direct or indirect, in the above transactions.

By Order of the Board

Low Sai Choy
Company Secretary
28 September 2007