CAPITALAND LIMITED

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

ANNOUNCEMENT

SUBSCRIPTION OF SHARES IN PEACE BASE INVESTMENTS LIMITED

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect wholly-owned subsidiary, CapitaLand LF (Cayman) Holdings Co., Ltd. ("CapitaLand LF"), its indirect 44.44% owned associated company, CapitaLand AIF Limited ("CapitaLand AIF"), and a party unrelated to CapitaLand (the "3rd Party") have today signed an agreement pursuant to which Capitaland LF, CapitaLand AIF and the 3rd Party will nominate a company (the "Nominated Company") to collectively subscribe for 730 new preferred shares of US$1 each (the "Subscription"), representing 73.00% stake in the enlarged issued and paid-up share capital of Peace Base Investments Limited ("Peace Base"). The remaining stake of 27.00% in Peace Base will be held indirectly by Heng Yue Holdings Limited ("Heng Yue"), the existing ultimate holding company of Peace Base and a party unrelated to CapitaLand.

Peace Base is a company incorporated in the British Virgin Islands and has an existing issued and paid-up capital of US$1. Its indirect sole asset is a site slated for mixed development in Nanshan district, Shenzhen, People's Republic of China (the "Asset").

The consideration (the "Consideration") for CapitaLand's subscription is for CapitaLand LF and CapitaLand AIF to exchange their entire holdings of bonds of an aggregate principal amount of RMB1,125 million (approximately S$249 million) issued by Heng Yue. The Consideration was arrived at on a willing-buyer willing-seller basis, based on, *inter alia*, the revalued net asset value of Peace Base, taking into account the Asset, of approximately RMB1,800 million (approximately S$398 million) in its management accounts as of 30 September 2008.

The completion of the above transactions is subject to the fulfilment of conditions precedent and is expected to take place by 31 December 2008 (the "Completion").

Upon Completion, CapitaLand LF, CapitaLand AIF and the 3rd Party will each hold 68.75%, 25.00% and 6.25% respectively, in the Nominated Company. CapitaLand LF and CapitaLand AIF will in turn have an indirect stake of 50.19% stake and 18.25% stake respectively, in Peace Base. Effectively, CapitaLand will have an interest of 58.30% in Peace Base. Accordingly, Peace Base will become an indirect subsidiary of CapitaLand.

The above transactions are not expected to have any material impact on the net tangible assets or earnings per share of the CapitaLand Group for the financial year ending 31 December 2008.

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
1 December 2008