CAPITALAND LIMITED

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

ANNOUNCEMENT

A) CLOSING OF CAPITALAND CHINA DEVELOPMENT FUND II LIMITED
B) CHANGE OF INTEREST IN FINE DAY PTE. LTD.

A) CLOSING OF CAPITALAND CHINA DEVELOPMENT FUND II LIMITED

CapitaLand Limited ("CapitaLand") wishes to announce that its indirect wholly-owned subsidiary, CapitaLand China Holdings Pte Ltd ("CCH"), has sponsored a closed-end private equity fund in China, namely, CapitaLand China Development Fund II Limited (the "Fund").

The Fund will provide high net worth individual investors with an opportunity to invest in residential real estate development projects in China. The Fund is managed by CapitaLand China Development Fund Management Pte. Ltd. ("CCDFM"), an indirect wholly-owned subsidiary of CapitaLand.

The Fund has successfully closed at a committed capital of US$236.63 million (approximately S$322.65 million) through agreements from third party investors to subscribe for redeemable preference shares in the Fund (the "Preference Shares").

CapitaLand through CCDFM currently holds and will continue to hold one ordinary share of US$1 (approximately S$1.36) in the Fund. Following the closing of the Fund, the one ordinary share will not carry any rights to dividends or to participate in the return of capital upon the dissolution and winding up of the Fund or to share in the surplus assets remaining after the return of the capital paid up on the one ordinary share. CapitaLand has also ceased to control the composition of the majority of the board of directors of the Fund.

The Fund will cease to be a wholly-owned subsidiary of CapitaLand upon allotment and issue of the Preference Shares.

B) CHANGE OF INTEREST IN FINE DAY PTE. LTD.

CapitaLand also wishes to announce that its indirect wholly-owned subsidiary, Fine Day Pte. Ltd. ("FD"), in which CapitaLand currently holds one ordinary share through CCH, will be issuing an additional 79 new ordinary shares for S$79 to CCH and 20 new ordinary shares for S$20 to the Fund (the "Shares").

FD holds the entire interest in CapitaLand (Tianjin) Co., Ltd. ("CapitaLand Tianjin") which holds a 90% interest in Beijing Rising Harmony Real Estate Development Co., Ltd. ("Project Company") which in turn owns a low-density residential development project in Changping District of Beijing ("Changping Xiangxili Project"). FD, CapitaLand Tianjin and the Project Company are collectively known as the FD Group.

CCH will also assign a shareholder's loan of approximately S$19.66 million to the Fund (the "Loan"), representing 20% of the total amount of shareholder's loan owing by FD to CCH. The Fund will also pay to CCH its holding costs in respect of funding extended to the FD Group for the purpose of the Changping Xiangxili Project up to the completion of the subscription for the Shares and the assignment of the Loan (the "Transactions").

The aggregate consideration for the Transactions which will be satisfied in cash is based on a willing-buyer willing-seller basis, taking into account amongst other things, the net tangible asset value for FD Group as at the date of the completion of the Transactions. The net tangible asset value of FD was S$0.8 million based on its management accounts as of 30 June 2008.

The completion of the Transactions is expected to take place in the third quarter of 2008 (the "Completion"). Upon Completion, CapitaLand's stake in FD and CapitaLand Tianjin will be reduced from 100% to 80% and in the Project Company from 90% to 72%.

The 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
30 July 2008